

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

COMMITTEE FOR EMPLOYMENT & SOCIAL SECURITY

NON-CONTRIBUTORY BENEFIT RATES FOR 2027

The States are asked to decide:

Whether, after consideration of the Policy Letter entitled 'Non-contributory Benefit Rates for 2027', dated 6th October 2026, they are of the opinion:

1. To set the income support requirement rates at the rates set out in Tables 1 and 2 of the Policy Letter, from 8th January 2027.
2. To set the income support limits of weekly income for people residing in residential homes, nursing homes, EMI (dementia care) accommodation, and the Guernsey Cheshire Home at the rates set out in Table 3 of the Policy Letter, from 8th January 2027.
3. To set the personal allowances payable to persons in Guernsey and Alderney residential or nursing homes who are in receipt of income support and to persons in United Kingdom hospitals or care homes who are in receipt of income support at the amounts set out in Table 4 of the Policy Letter, from 8th January 2027.
4. To set the maximum rent allowances, for income support purposes, at the amounts set out in Table 5 of the Policy Letter, from 8th January 2027.
5. To set the supplementary fuel allowance at £50.48 per week, from 30th October 2026 to 29th April 2027.
6. To set the rate of family allowance at £19.20 per child, per week, from 4th January 2027.
7. To set the rates and annual income limit for severe disability benefit and carer's allowance at the rates and limit set out in Table 7 of the Policy Letter, from 4th January 2027.
8. To amend the Severe Disability Benefit and Carer's Allowance (Guernsey) Law, 1984 to provide that severe disability benefit and carer's allowance may be backdated for a period of up to 12 months before the date on which the claim was made, provided that there was good cause for the delay.

9. To amend the First Schedule to the Income Support (Implementation) Ordinance, 1971 to:
 - a) allow payments made under any health compensation or incentivisation scheme approved by the Committee to be disregarded when assessing a person's resources for income support purposes, as set out in paragraphs 8.1 to 8.5 of the Policy Letter;
 - b) clarify that the phrase in Paragraph 18 "to secure income support" includes obtaining or maintaining an income support claim, as set out in paragraph 8.9 of the Policy Letter; and
 - c) clarify that in Paragraph 18, regarding "resources abandoned", those resources include the cash value lost when a resource is sold, given away, or otherwise disposed of for less than its market value, as set out in paragraph 8.10 of the Policy Letter.
10. To set the payment tariffs under the Mesothelioma Compensation Scheme at the rates set out in Appendix 3 of the Policy Letter, from 1st January 2027.
11. To direct the preparation of such legislation as may be necessary to give effect to the above decisions.

The above Propositions have been submitted to His Majesty's Procureur for advice on any legal or constitutional implications in accordance with Rule 4(1)(c) of the Rules of Procedure of the States of Deliberation and their Committees.

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

COMMITTEE *FOR* EMPLOYMENT & SOCIAL SECURITY

NON-CONTRIBUTORY BENEFIT RATES FOR 2027

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

6th October 2026

Dear Madam

1. Executive summary

- 1.1. The Committee *for* Employment & Social Security ('the Committee') has undertaken its annual review of the non-contributory benefits for which it is responsible. Non-contributory benefits are those funded entirely through General Revenue, which comes from tax income and not from Social Security contributions. These benefits include income support, family allowance, severe disability benefit, carer's allowance and the mesothelioma compensation scheme.
- 1.2. The Committee recommends that the majority of non-contributory benefit rates, limits, and allowances that will apply from early January 2027, be increased by 4.3%, this being the annual rate of 'core' inflation (RPIX) for the year ending 30th June 2026. This is in line with the guideline uprating policy for non-contributory benefits.
- 1.3. In response to the increasing number of income support customers residing in private rental properties whose rent exceeds the relevant maximum rent allowance, it is recommended that the maximum rent allowances be increased by 5.0%.
- 1.4. In accordance with the guideline uprating policy for winter fuel allowance, the Committee is proposing that the rate be increased by 19.0%, taking it to £50.48 per week for the period from 31st October 2026 to 29th April 2027. This is in line with the annual percentage change in the cost of fuel and light over the year ending 30th June 2026. The Committee is also proposing that the income support limits of weekly income for people in long-term care, as

described in paragraphs 2.7 and 2.8 of the Policy Letter, be increased to align with the cost of a 'standard rate bed' plus the personal allowance payable to persons in Guernsey and Alderney residential or nursing homes. This represents an above inflation increase and is necessary as a consequence of the decision taken by the States in February 2025 to approve a guideline uprating policy for benefits funded from the Long-term Care Insurance Fund of Guernsey RPIX plus 1%. This was part of a package of reforms intended to stabilise the private care home market and incentivise growth to meet demand. For the avoidance of doubt, the above inflation increase relates only to the cost of a 'standard rate bed'; the Committee proposes that the personal allowances payable to residents of residential and nursing homes who qualify for income support be increased by 4.3%, this being the rate of RPIX as at 30th June 2026.

- 1.5. The Committee recommends that the household limit to receive family allowance be frozen at its current value, this being £125,000. Doing so would reduce the real-terms value of the limit by £5,000 and would result in an estimated saving of around £200,000 compared to increasing the limit in line with inflation. This is because an estimated 3% of currently eligible households would become ineligible to receive family allowance.
- 1.6. The Committee proposes increasing non-contributory benefit rates for 2027 in line with standard uprating policies and applying a modest real-terms increase to Maximum Rent Allowances. While mindful of the need for fiscal responsibility, the Committee considers that maintaining the real value of benefits is an important means of supporting individuals who rely on them, particularly in the face of continuing increases in living costs.
- 1.7. Non-contributory benefits are demand-led and cannot be restricted simply to meet a predetermined expenditure target. Income support, in particular, serves as the community's ultimate safety net for people whose income is insufficient to meet their basic needs and must therefore keep pace with inflation.
- 1.8. When the income support system was introduced, poverty was defined as "the income of an individual below which Guernsey as a society (represented by the States) considers it to be intolerable for that individual to be expected to live". By approving the income support requirement rates each year, the States reaffirms its judgement of the minimum acceptable standard of living within the community. The Committee's proposed income support requirement rates reflect this principle rather than being driven by a specific expenditure target.
- 1.9. The Committee is undertaking a review of non-contributory and contributory benefits including rates of payment, eligibility criteria, and guideline uprating

policies to determine whether changes or adjustments could be made which may result in savings without significant negative impact. Given the need to balance savings opportunities with the Committee's responsibility to protect some of the most vulnerable members of the community, the Committee is carefully assessing all options before finalising its proposals. It has not been possible to do so before the deadline to submit the Committee's proposals for benefit and contribution rates. The output of the review of benefits may inform the Committee's future annual uprating processes but this does not preclude the Committee from bringing additional policy proposals to the States for consideration before the 2028 uprating process if all necessary work has been completed.

- 1.10. In July 2026, Members of the Committee gained experience into the day-to-day administration of social security benefits by undertaking a period of shadowing. The insights and first-hand experience gained have informed Committee discussions about identifying savings and efficiencies opportunities.
- 1.11. Although many benefits for which the Committee is responsible may be backdated for up to a particular period, backdating of severe disability benefit and carer's allowance is not provided for under the Severe Disability Benefit and Carer's Allowance (Guernsey) Law, 1984¹ ("the 1984 Law") in any circumstances. The Committee acknowledges that circumstances may arise which would unavoidably delay the submission of a claim for severe disability benefit and carer's allowance. Therefore, the Committee proposes that the 1984 Law be amended to provide that severe disability benefit and carer's allowance may be backdated for a period of up to 12 months before the date on which a claim was made, provided there was good cause for the delay.
- 1.12. The Committee also proposes some amendments to the First Schedule to the Income Support (Implementation) Ordinance, 1971² ("the Income Support Ordinance").
- 1.13. The first proposed amendment relates to the resources that may be disregarded from a person's income or capital when determining the person's eligibility to receive income support. Unless a resource is specifically disregarded, its value is included in the assessment and may reduce the amount of income support payable. The current list of resources which can be disregarded includes payments made under certain health compensation and incentivisation schemes, such as the Infected Blood Compensation Scheme. However, when a new scheme is introduced and the Committee considers

¹ [The Severe Disability and Carer's Allowance \(Guernsey\) Law, 1984.](#)

² [The Income Support \(Implementation\) Ordinance, 1971.](#)

that payments made under that scheme should be disregarded, amending the Income Support Ordinance to give effect to that decisions can take time.

- 1.14. The Committee therefore proposes to amend the Income Support Ordinance to allow payments made under any health compensation or incentivisation scheme approved by the Committee to be disregarded when assessing a person's resources for income support purposes.
- 1.15. The second proposed change to the Income Support Ordinance relates to the anti-divestment provision set out in Paragraph 18, which addresses instances in which a person might arrange their financial affairs in order to increase the amount of income support they are entitled to receive. The Committee, while noting that the vast majority of income support claims are genuine, proposes to amend Paragraph 18 regarding "resources abandoned", to clarify that the phrase "to secure income support" includes obtaining or maintaining an income support claim, and that those resources include the cash value lost when a resource is sold, given away, or otherwise disposed of for less than its market value.

2. Income support

Requirement rates

- 2.1. Income support is an in-work benefit, supporting those whose income is, for whatever reason, insufficient to meet their own or their family's needs.
- 2.2. In simple terms, income support is payable if the net amount of income³ that the claimant and their spouse or co-habiting partner (if relevant) receive from earnings, other benefits (e.g. family allowance, States pension, etc.) and any other sources, is less than their total requirement rate. In these circumstances, income support makes up the shortfall. This is slightly complicated by the fact that some types of income are wholly or partially disregarded in the income support means test. For example, if a person has earnings, the amount of earnings taken into account in the means-test are the person's net weekly earnings reduced by £40. This reduction of £40 is known as the 'earnings disregard'.
- 2.3. The income support 'requirement rates' are essentially a personal allowance intended to cover all basic daily living expenses (including, but not limited to, food, clothing and household goods and services), with the exception of accommodation costs which are covered by a separate rent allowance or, in the case of homeowners, an allowance to cover mortgage interest payments.

³ After tax, social security, and contributions to an occupational pension.

The allowance payable for accommodation costs is capped at a maximum level depending on accommodation type and household composition.

- 2.4. A person's requirement rate is based on their household composition, including the age and number of dependent children within the household. The short- and long-term requirement rates are set annually by the States. The short-term rates are lower than the long-term rates because they exclude expenses which could reasonably be deferred for a short period of time, such as the replacement of clothing and household goods. Most claims are assessed at short-term rates for the first six months. Claims are assessed at long-term rates after six months of continuous entitlement to income support, or from the outset for pensioners and those with severe disabilities.
- 2.5. For 2027, the Committee recommends that income support requirement rates be increased by 4.3%, in line with RPIX for the year ending 30th June 2026.
- 2.6. Tables 1 and 2 set out the proposed short-term and long-term income support requirement rates, and the proposed rent allowance for non-householders⁴ from 8th January 2027, alongside current rates.

⁴

The rent allowance for a non-householder is an assumed rent contribution from a non-dependent living with a claimant which is deducted from the amount of the claimant's rent in working out the rent allowance payable to the claimant. If the non-dependent qualifies for income support themselves, this amount is added to their requirement rate when determining their level of need. A 'non-dependent' is someone who is over school leaving age, is no longer in full-time education and is living in a claimant's household (e.g. an adult son or daughter living with their parent(s), a parent living with their adult son or daughter, or an adult living with a friend).

Table 1 – Current and proposed weekly short-term income support requirement rates

	2026 (current)	2027 (proposed)
Householders:		
Cohabiting/married couple	£281.01	£293.09
Single householder	£168.46	£175.70
Non-householder:		
18 or over	£128.57	£134.10
Non-householder:		
Rent allowance	£99.50	£104.00⁵
Member of a household:		
11 and over	£123.34	£128.64
5 – 10	£96.53	£100.68
Under 5	£79.15	£82.55

Table 2 – Current and proposed weekly long-term income support requirement rates

	2026 (current)	2027 (proposed)
Householders:		
Cohabiting/married couple	£399.86	£417.05
Single householder	£240.50	£250.84
Non-householder:		
18 or over	£183.11	£190.98
Non-householder:		
Rent allowance	£99.50	£104.00⁶
Member of a household:		
11 and over	£140.47	£146.51
5 – 10	£106.87	£111.47
Under 5	£93.29	£97.30

Limits of weekly income

- 2.7. The limits of weekly income effectively cap the amount of benefit payable to people residing in residential homes, nursing homes, EMI (dementia care) accommodation, and the Guernsey Cheshire Home, who do not satisfy the residency requirements for entitlement to long-term care benefit and may,

⁵ Rounded down to the nearest 50 pence.

⁶ Rounded down to the nearest 50 pence.

therefore, need to rely on income support to help meet their care costs. They are set at amounts equal to the cost of a 'standard rate' bed (i.e. the relevant rate of long-term care benefit plus the co-payment⁷) plus the applicable personal allowance. This ensures that the fee payable to a private or third sector care home can be fully or partially covered through income support in the very few cases where this may be necessary. Additional fees, which are charged by care homes in respect of some beds, are not covered through income support.

- 2.8. It is important to note that income support would only be paid at this level in respect of a person who does not qualify for long-term care benefit but is eligible to receive income support (i.e. a person who is ordinarily resident in Guernsey, Alderney, Herm or Jethou with a valid residency certificate or permit who has capital assets (excluding their principal private residence) of less than £15,000) and has no other income at all. If such a person had some weekly income, the amount of income support payable would be less than the limit of weekly income. In such circumstances, income support would essentially top up the person's income to the relevant limit. This avoids the potential need for individuals who do not qualify for long-term care benefit and who have low capital and weekly income to be accommodated, for financial reasons alone, in long-stay beds at the Princess Elizabeth Hospital campus.
- 2.9. The Committee is proposing that the limits of weekly income be increased, with effect from 8th January 2027, to ensure that they continue to align with the cost of a standard rate bed plus the personal allowance payable to persons in Guernsey and Alderney residential or nursing homes. This represents an above inflation increase and is necessary as a consequence of a decision taken by the States in February 2025⁸ to approve a guideline uprating policy for benefits funded from the Long-term Care Insurance Fund of Guernsey RPIX plus 1%. This was part of a package of reforms intended to stabilise the private care home market and incentivise growth to meet increasing demand.

⁷ The co-payment relates to the accommodation and living costs of receiving bed-based long-term care and is payable by the person receiving care.

⁸ The Need to Stabilise the Private Care Home Market and Incentivise Growth to Meet Demand ([Billet d'État V of 2025, Article III](#)).

- 2.10. The proposed 2027 limits of weekly income, with effect from 8th January 2027, are set out in Table 3, alongside the 2026 limits.

Table 3 – Current and proposed income support limits of weekly income

	2026 (current)	2027 (proposed)
Residential homes	£1,286.00	£1,353.00
Residents of residential homes receiving EMI care	£1,451.00	£1,527.00
Residents of nursing homes and the Guernsey Cheshire Home	£1,824.00	£1,920.00

Personal allowances

- 2.11. The Committee pays a personal allowance to residents of residential and nursing homes who qualify for income support. The personal allowance is intended to cover modest purchases such as newspapers, confectionery, toiletries, and family presents. As at 28th August 2026, 161 people were claiming this allowance.
- 2.12. The Committee *for* Health & Social Care (CfHSC) pays for Guernsey and Alderney residents to be placed in UK hospitals and specialised institutions if their mental or physical health needs cannot be met on-island. While the CfHSC meets the cost of accommodation and care, residents are expected to pay for items of a personal nature, and costs associated with supervised activities and outings, from their own resources. Residents who cannot afford these items/activities can apply to the Committee for a personal allowance. As at 28th August 2026, there were eight people in off-island placements claiming this allowance.
- 2.13. For 2027, the Committee is recommending that the rates of the personal allowances for residents in Guernsey and Alderney residential or nursing homes and UK institutions be increased by 4.3%, this being the rate of RPIX as at 30th June 2026. The proposed weekly personal allowances, to be effective from 8th January 2027, are set out in Table 4, alongside the 2026 allowances.

Table 4 – Current and proposed weekly personal allowances

Personal allowance	2026 (current)	2027 (proposed)
Residents of local residential and nursing homes	£50.67	£52.85
Guernsey people in UK hospitals and care homes ⁹	£71.63	£74.71

Maximum rent allowances

- 2.14. The level of financial support available for income support claimants' rental payments is capped by the maximum rent allowances (MRAs). The MRAs are set at different levels for different sized households.
- 2.15. The MRAs are the maximum amount an income support claimant can have factored into the means test for rental costs; if a person's rent is lower than the relevant MRA, they would have an amount equal to their rent factored into the means test, not the full MRA amount.
- 2.16. The MRAs fully cover all social housing rents. However, approximately 25% of income support claimants reside in private rental properties, the rents for which are typically much higher than those of social housing properties. Applying a MRA to income support customers residing in private rental properties can therefore sometimes result in a shortfall in rent which must be met from other sources such as their personal living allowance or savings.
- 2.17. In response to increasing differentials between social and private rental costs, the States agreed, on 20th November 2024, to increase the MRAs in 2025 by 10.0%, which was an above-inflation increase. The effect of this was to reduce the number of income support recipients with a shortfall in rent. In 2024, approximately 19% of income support recipients renting in the private sector experienced a rent shortfall. By 30th July 2025, this had fallen to 15%.
- 2.18. At the time of writing, 119 income support claimants¹⁰ have rental costs which exceed the relevant MRA for their household composition. This equates to approximately 20% of income support customers who rent privately. In practice, this means that the total amount of income that these claimants have (comprised of income support, in addition to their earnings and other

⁹ The personal allowance for Guernsey people in UK hospitals and care homes is higher than the rate which applies to residents of local residential and nursing homes because the people living temporarily off-island tend to be much younger and have more opportunities for using a personal allowance in the course of their supervised activities and outings.

¹⁰ This is the number of households affected, rather than the number of persons in those households.

income) is inadequate to meet their day to day living expenses including their rent.

- 2.19. In accordance with his discretionary powers under paragraph 6(4)(b) of the First Schedule to the Income Support (Implementation) Ordinance, 1971¹¹, the Administrator has approved some rent allowances in excess of the relevant MRA, in the full knowledge of the Committee and in accordance with a policy framework agreed by the Committee.
- 2.20. Given the high number of households impacted by the MRAs, the Committee recommends that the MRAs be increased by 5.0% in 2027 to reduce the shortfall in rent experienced by some income support recipients who rent in the private sector. This proposed increase, which is slightly greater than RPIX as at 30th June 2026 (i.e. 4.3%), may reduce the shortfall in rent which some income support recipients experience, however it is not sufficient to ensure that the maximum rent allowances fully cover the rents of all income support recipients.
- 2.21. It is estimated that the annual additional cost of increasing the MRAs by 5% will be in the region of £15,000 more than the cost of increasing the MRAs by 4.3% (i.e. in line with RPIX as at 30th June 2026). The Committee considers that this proposal represents a balance of fiscal responsibility and responsiveness to the increase in the number of income support customers whose rent exceeds their MRA.
- 2.22. The Policy & Resources Committee has confirmed that it accepts that the proposed, limited, real-terms increase to the maximum rent allowances is pragmatic in the context of continuing real-terms increases in rental prices.
- 2.23. The proposed MRAs, to be effective from 8th January 2027, are set out in Table 5, alongside 2026 rates.

¹¹

[The Income Support \(Implementation\) Ordinance, 1971.](#)

Table 5 – Current and proposed maximum rent allowances (weekly)

Tenancy group	Description	2026 (current)	2027 (proposed)
Group 1	Single with no children	£312.05	£327.65
Group 2	Couple with no children	£312.05	£327.65
Group 3	Single or couple with 1 child	£362.47	£380.59
Group 4	Single or couple with 2 children	£461.48	£484.55
Group 5	Single or couple with 3+ children	£564.11	£592.32
Group 6	Living in shared accommodation	£241.58	£253.66

Winter fuel allowance for 2026/2027

- 2.24. A winter fuel allowance is paid from General Revenue to householders in receipt of income support for 26 weeks from the last week in October until the last week in April of the year following. Non-householders are not eligible to receive a winter fuel allowance.
- 2.25. A reduced winter fuel allowance may be payable to a householder if they do not qualify for a weekly cash benefit because their weekly income exceeds their requirement rate by less than the level of the winter fuel allowance.
- 2.26. From 31st October 2025 to 30th April 2026, the fuel allowance was £42.42 per week. This was an increase of 4.3% on the previous winter's allowance, this being the percentage change in the cost of fuel and light over the year ending 30th June 2025.¹²
- 2.27. For the period from 30th October 2026 to 29th April 2027, the Committee is recommending a 19.0% increase in the rate of the fuel allowance, taking it to £50.48 per week. This is in line with the annual percentage change in the cost of fuel and light for the year ending 30th June 2026.¹³

Income support claim data

- 2.28. As at 14th August 2026, there were 3,222 active income support claims, as set out in Table 6.
- 2.29. Income support claimants are split into a number of classifications for purposes of claims management and financial analysis.

¹² [Guernsey Quarterly Inflation Bulletin - June 2024.](#)

¹³ [Guernsey Quarterly Inflation Bulletin – June 2025.](#)

Table 6 – Income support claims and expenditure

Classification	Claims at 16th August 2025	Claims at 14th August 2026	2025 Actual (£m)	2026 Forecast (£m)	2027 Projection (£m)
Pensioner	897	863	8.7	9.2	10.3
Incapacitated	794	814	13.9	14.7	16.2
Jobseeker	299	367	5.7	6.9	7.4
Single parent	285	218	8.1	7.3	7.6
Disabled	217	214	3.7	3.9	4.1
Work requirement met	665	706	11.0	12.7	14.2
Other ¹⁴	47	40	0.9	0.9	0.9
Total (excl. dependants)	3,204	3,222	52.0	55.6	60.7
Special Grants ¹⁵			5.1	5.4	5.6
Total			57.1	61.0	66.3

- 2.30. The information in the last two columns of Table 6 has been set out in a different format at Appendices 1 and 2. This has been done to better compare the forecast and projected expenditure between different income support classification types.
- 2.31. It should be remembered that income support is a benefit designed to ensure a minimum acceptable standard of living, and that many of its recipients are in full- or part-time work. However, these claimants do not earn enough to meet their household's basic needs, which is why they are eligible for a top-up from income support.

3. Family allowance

- 3.1. Family allowance is a weekly tax-free benefit payable to people living in Guernsey and Alderney who are raising children, provided their gross annual household income is below £125,000 and they meet all other eligibility criteria.
- 3.2. The Committee is recommending that the weekly rate of family allowance is increased by 4.3% from £18.40 to £19.20¹⁶ per child, with effect from 4th January 2027.

¹⁴ Includes carers, pregnant women, prisoner's spouses, partners in hospital and a small number of claimants whose classification is unknown.

¹⁵ Includes special grants in respect of medical expenses, disability, funeral expenses and other miscellaneous expenses.

¹⁶ Rounded to the nearest ten pence.

- 3.3. In 2024, the Reducing the Cost of Public Services Sub-Committee identified a review of family allowance in its 'Tier 1' savings initiatives.¹⁷ As this review is yet to be undertaken, the Committee is not recommending an increase in the household income limit to receive family allowance for 2027. Were the limit to increase in line with inflation for 2027, its value would be in the region of £130,000. The effect of freezing the household income limit for 2027 would therefore be to decrease its value, in real terms, by £5,000 and, as a result, to reduce the number of people who are eligible to receive family allowance.
- 3.4. It is estimated that around 3% of currently eligible households would become ineligible for family allowance if the household income limit were frozen at £125,000 in 2027. This equates to an estimated saving of around £200,000 compared to increasing the limit in line with inflation.
- 3.5. On 9th April 2025, the States of Deliberation agreed that relevant legislative amendments be made such that family allowance is payable until the last Sunday in July during the academic year in which the child turns 18, providing that the child is receiving full-time education and the claimant meets all other eligibility criteria¹⁸.
- 3.6. The Family Allowances and Social Insurance (Guernsey) (Amendment) Law, 2026,¹⁹ which gives effect to this change, was approved by the States on 22nd April 2026 and came into force on 1st September 2026.

4. Severe disability benefit and carer's allowance

- 4.1. The Committee recommends that the rates of severe disability benefit and carer's allowance, as well as the annual income limit for both severe disability benefit and carer's allowance, be increased by 4.3% from 4th January 2027, as set out in Table 7.

¹⁷ [The States of Guernsey Annual Budget for 2025 \(Billet d'État XIX of 2024, Article I\).](#)

¹⁸ [Change to Eligibility Criteria to Receive Family Allowance and Widowed Parents Allowance \(Billet d'État VIII of 2025, Article XIII\).](#)

¹⁹ [The Family Allowances and Social Insurance \(Guernsey\) \(Amendment\) Law, 2026.](#)

Table 7 – Current and proposed annual income limit and weekly rates of severe disability benefit and carer’s allowance

	2026 (current)	2027 (proposed)
Severe disability benefit - weekly rate	£140.63	£146.65
Carer’s allowance - weekly rate	£117.00	£122.03
Annual income limit for both allowances ²⁰	£131,200.00	£136,800.00

Introduction of backdating provisions for severe disability benefit and carer’s allowance

- 4.2. Many, but not all, of the benefits for which the Committee is responsible may be backdated for up to a maximum period of time prescribed in legislation. The period of time for which payments may be backdated varies depending on the benefit in question. In practice, this means that a person has a certain period of time in which to submit a claim for benefit after they otherwise become eligible to receive that benefit. This recognises that, for many reasons, it is not always possible for individuals to submit benefit claims immediately.
- 4.3. The 1984 Law does not currently provide for the payment of severe disability benefit and carer’s allowance to be backdated in any circumstances. The Committee acknowledges that circumstances may arise which would unavoidably delay the submission of a claim for severe disability benefit or carer’s allowance. Therefore, the Committee proposes that the 1984 Law be amended to provide that severe disability benefit and carer’s allowance may be backdated for a period of up to 12 months before the date on which a claim was made, provided there was good cause for the delay.
- 4.4. The requirement that there be good cause for a delay in making a claim for benefit is already set out in legislation in respect of a number of benefits the Committee administers.²¹ For the avoidance of doubt, local and UK social security case law makes it clear that “good cause” is not the same as “good excuse” and that the onus on proving good cause rests with the claimant. Good cause means some fact that which, having regard to all circumstances, including state of health and information received by the claimant, would probably have caused a reasonable person of similar age and experience to act (or fail to act) as the claimant did. This decision, as is the case under other social security legislation, would rest with the Administrator of the Committee *for* Employment & Social Security who is the statutory decision maker in respect of benefit entitlement under this legislation.

²⁰ Rounded up to the nearest hundred pounds.

²¹ See for example [the Social Insurance \(Benefits\) Regulations, 2003](#).

- 4.5. In line with current provisions that apply in respect of entitlement to severe disability benefit, the backdating period will not include periods in which the claimant was in hospital or other accommodation funded from public funds. Further, it is already a condition to receive severe disability benefit that a claimant must satisfy all eligibility criteria for a period of three months before benefit can be paid and, in cases where benefit may be backdated, this requirement will still apply.
- 4.6. It is difficult to determine the financial implications of this proposal with any degree of certainty as there is no way to determine the proportion of cases which are likely to have good cause for the delay in making their claim. Also, it is not the case that all claims which would have good cause for delay would be backdated for the maximum period of 12 months. However, it is expected that the proportion of claims that this would apply to will be small, and therefore the cost is unlikely to exceed approximately £100,000 per annum (in 2027 terms).

5. Mesothelioma Compensation Scheme

- 5.1. The Mesothelioma Compensation Scheme provides a single payment to people living in Guernsey or Alderney who have been exposed to asbestos and developed diffuse mesothelioma. Other asbestos-related conditions are not covered by the Scheme.
- 5.2. At the time of writing, the Committee had received three applications in 2026. Two applicants were successful and have received payment. The other application is being processed.
- 5.3. The Committee recommends that the payment tariffs available under the Scheme be increased, with effect from 1st January 2027, by 4.3%, in line with RPIX for the year ending 30th June 2026. The current tariffs and the proposed new tariffs for 2027 are set out in Appendix 3 of the Policy Letter.

6. Up-rating policy for non-contributory benefits

- 6.1. In preparing its proposals for 2027 benefit rates, the Committee has given some consideration to the use of retail price indices as the measure by which its up-rating policies are calculated. It notes that household cost indices were added to the suite of price inflation indices published for Guernsey from October 2022. These indices provide greater understanding of how different types of households in Guernsey experience rates of price inflation. As some of these household types reflect, to some extent, groups of beneficiaries – for example, low-income households, households containing one or more children, and households containing one or more retired person – the Committee has considered, as part of an ongoing wider review of contributory

and non-contributory benefits mentioned in paragraph 1.9 of this Policy Letter, the appropriateness of an uprating policy which is more sensitive than RPIX to the impact of price inflation on low-income households.

- 6.2. By majority, the Committee has agreed not to use household cost indices in its uprating proposals for 2027 because their use would result in higher benefit expenditure but would not substantially affect the benefit rates individuals would receive.

7. Non-contributory services funded from General Revenue

- 7.1. This Policy Letter is about non-contributory benefit rates for 2027, so the financial position reported in this section relates only to Social Security services and benefits funded from General Revenue, and not the other General Revenue funded services that come under the Committee's mandate.
- 7.2. Table 8 summarises the anticipated impact of the proposed benefit rates on expenditure for 2027. This table also includes the 2026 forecast at the time of writing, and the actual expenditure figures for 2023 to 2025.

Table 8 – Summary of Social Security benefits expenditure funded from General Revenue

	2023 Actual £m	2024 Actual £m	2025 Actual £m	2026 Forecast £m	2027 Projection £m
Income support	51.1	55.0	57.1	61.0	66.3
Family allowance	6.6	7.1	7.0	7.1	7.2
Severe disability benefit	5.8	6.9	7.6	8.3	9.1
Carer's allowance	3.1	3.7	4.2	4.5	5.0
Sub-total formula-led expenditure	66.6	72.7	75.9	80.9	87.6
School uniform allowance & educational maintenance grant	0.2	0.2	0.2	0.2	0.2
Administration	1.6	2.0	1.4	1.5	1.6
Others ²²	0.2	0.2	0.2	0.3	0.3
Sub-total non-formula led expenditure	2.0	2.4	1.8	2.0	2.1
Total expenditure	68.6	75.1	77.7	82.9	89.7

²² Others include back to work schemes, charitable grants, and miscellaneous expenditure.

8. Proposed amendments to the First Schedule to the Income Support (Implementation) Ordinance, 1971

- 8.1. The First Schedule to the Income Support (Implementation) Ordinance, 1971²³ (“the Income Support Ordinance”) sets out, among other things, resources which are to be disregarded when assessing a person’s entitlement to income support. Unless a resource is specifically disregarded, its value is included in the assessment and may reduce the amount of income support payable. For example, if a person’s weekly income increases by £50 and that income is not disregarded, their weekly income support entitlement would reduce by £50.
- 8.2. From time to time, the Committee has proposed amendments to the Income Support Ordinance to allow particular payments to be disregarded in the means test. These have included specific compensation payments, ensuring that recipients are not disadvantaged by having their income support reduced as a result of compensation designed to address harm suffered. One example is payments made under the infected blood compensation arrangements. In November 2024, the States agreed to amend the Income Support Ordinance to disregard certain payments made under the UK infected blood compensation schemes.²⁴
- 8.3. Because the list of disregarded resources is prescriptive, each new health compensation or incentivisation scheme requires a further amendment to the Income Support Ordinance before payments can be disregarded. The Committee considers this process time-consuming and an inefficient use of legal resources.
- 8.4. To enable a more timely response to future health compensation and incentivisation schemes, the Committee proposes amending the First Schedule to the Income Support Ordinance to allow payments made under any such scheme approved by the Committee to be disregarded when assessing a person’s resources for income support purposes.
- 8.5. It is difficult to set out the anticipated financial impact of this proposal because it is not possible to predict the number or nature of future health compensation or incentivisation schemes which may arise, or the number of income support recipients who might qualify for these schemes.²⁵ However, the financial impact is likely to be extremely limited.

²³ [The Income Support \(Implementation\) Ordinance, 1971](#).

²⁴ ‘Non-contributory Benefit Rates for 2025’ ([Billet d’État XIX of 2004, Article II](#)).

²⁵ Typically, these numbers are low, as shown in paragraph 5.2 regarding claims under the Mesothelioma Compensation Scheme, payments from which are excluded from the income support means test.

- 8.6. The First Schedule to the Income Support Ordinance also sets out an anti-divestment provision to address instances in which a person may arrange their affairs to increase their entitlement to income support. This provision is reproduced below and will be referred to in this Policy Letter as “Paragraph 18”.

“Resources [...] abandoned.

18. If a person has –

- (a) deprived himself of any resources, or
- (b) neglected to claim, waived or abandoned any right to benefit to which he is or may be entitled

and the effect of the deprivation, neglect, waiver or abandonment, as the case may be, is to secure income support or increase the amount thereof, those resources and that right or benefit may be taken into account as if they were still his or he were in receipt of any sum of money due under or pursuant to or representing that right or benefit.”

- 8.7. It is important to note that the vast majority of income support claims are genuine. However, the Committee must have appropriate mechanisms to address the small number of claims that are not. The Committee has therefore reviewed Paragraph 18 and proposes two amendments.
- 8.8. The following proposals reflect the outcome of a hearing before the Social Insurance Appeals Tribunal (“the Tribunal”) relating to the treatment of resources in an income support financial assessment. The Tribunal gave particular attention to Paragraph 18 and ultimately upheld a decision of the Administrator that a resource had been disposed of. However, the hearing highlighted that the current wording of Paragraph 18 could be made more explicit.
- 8.9. Firstly, the Committee proposes to clarify that the phrase “to secure income support” includes obtaining or maintaining an income support claim. This amendment would ensure there is no ambiguity where a person arranges their financial affairs to obtain income support or retain an existing entitlement.
- 8.10. Secondly, the Committee proposes that Paragraph 18 be amended to clarify that those resources include the cash value that a person has deprived themselves of when a resource is sold, given away, or otherwise disposed of for less than its market value. This is because the proceeds of a sale at market value would have enabled the person to support themselves without recourse

to public funds. The Committee acknowledges that some transactions may reasonably be concluded below market value to facilitate a sale. The Committee would ensure that this is taken into account when applying the amended provision.

9. Investigations and Compliance

The Benefit Offices (Amendment) and Employment of Immigrants (Repeal) (Guernsey) Law, 2026

9.1. On 5th November 2025, following consideration of the Policy Letter entitled ‘Non-contributory Benefit Rates for 2026’,²⁶ the States resolved, among other things, to:

“9. Amend the following provisions:

- Section 104 of the Social Insurance (Guernsey) Law, 1978;²⁷
- Section 24 of the Income Support (Guernsey) Law, 1971;²⁸
- Section 9 of the Family Allowances (Guernsey) Law, 1950;²⁹
- Section 19 of the Severe Disability Benefit and Carer’s Allowance (Guernsey) Law, 1984;³⁰ and
- Section 28 of the Long-term Care Insurance (Guernsey) Law, 2002.³¹

to make all benefit-related offences triable in either the Magistrate’s Court or the Royal Court.

10. Set the maximum penalty for all benefit-related offences under the legislation [listed above] at seven years’ imprisonment.

11. Remove the specified limits on the penalties that may be imposed in the Magistrate’s Court in respect of benefit-related offences under the legislation [listed above].

12. Repeal the Employment of Immigrants (Control) (Guernsey) Law, 1974.”

²⁶ Non-contributory Benefit Rates for 2026 ([Billet d’État XXVIII of 2025, Article II](#)).

²⁷ [The Social Insurance \(Guernsey\) Law, 1978](#).

²⁸ [The Income Support \(Guernsey\) Law, 1971](#).

²⁹ [The Family Allowances \(Guernsey\) Law, 1950](#).

³⁰ [The Severe Disability Benefit and Carer’s Allowance \(Guernsey\) Law, 1984](#).

³¹ [The Long-term Care Insurance \(Guernsey\) Law, 2002](#).

- 9.2. The Benefit Offences (Amendment) and Employment of Immigrants (Repeal) (Guernsey) Law, 2026, which will bring these changes into effect, has been endorsed by the Committee and will be laid before the States of Deliberation for approval before the end of 2026.

Benefit fraud investigations

- 9.3. The Employment & Social Security Investigations and Compliance team is responsible for, among other things:
- investigating suspected or alleged benefit fraud;
 - providing advice about fraud prevention when assessing claims for benefit; and
 - referring deliberate benefit fraud offences to the Criminal Prosecution team at St James Chambers for further action.
- 9.4. Although, as noted in paragraph 8.7, the vast majority of benefit claims are genuine, the Investigations and Compliance team undertake direct investigation operations in cases where there is reason to believe that benefit fraud is occurring. If fraud is found to have taken place, a person's claim is closed or adjusted. When this occurs, the future amount which would have been paid had the claim not been closed is recorded as a weekly cost avoidance.
- 9.5. An estimated overall cost avoidance figure is calculated by multiplying the weekly cost avoided by 39. This is in line with a UK Department for Work & Pensions study which found that the average duration of a fraudulent claim is 39 weeks.
- 9.6. The estimated annual costs avoided as a result of benefit fraud investigations between 2022 and 2025 are set out in Table 9.

Table 9 – Estimated costs avoided as a result of benefit fraud investigations

	2022	2023	2024	2025
Estimated annual cost avoidance	£330,000	£290,000	£260,000	£440,000

10. Compliance with Rule 4 of the Rules of Procedure

- 10.1. 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.
- 10.2. In accordance with Rule 4(1)(b), it is confirmed that the Committee has consulted with the Policy & Resources Committee in respect of the proposals set out in this Policy Letter.
- 10.3. 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.
- 10.4. In accordance with Rule 4(1)(d), an estimate of the financial implications to the States of carrying the Committee's proposals into effect is set out in Table 8 of this Policy Letter.
- 10.5. In this Policy Letter, the Committee has set out its proposals for non-contributory benefit rates for 2027. 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."
- 10.6. In accordance with Rule 4(2)(b), it is confirmed that the Propositions have the unanimous support of the Committee.

Yours faithfully

T L Bury
President

J M Ozanne OBE
Vice-President

R J Le Brun
T M Rylatt
G A St Pier

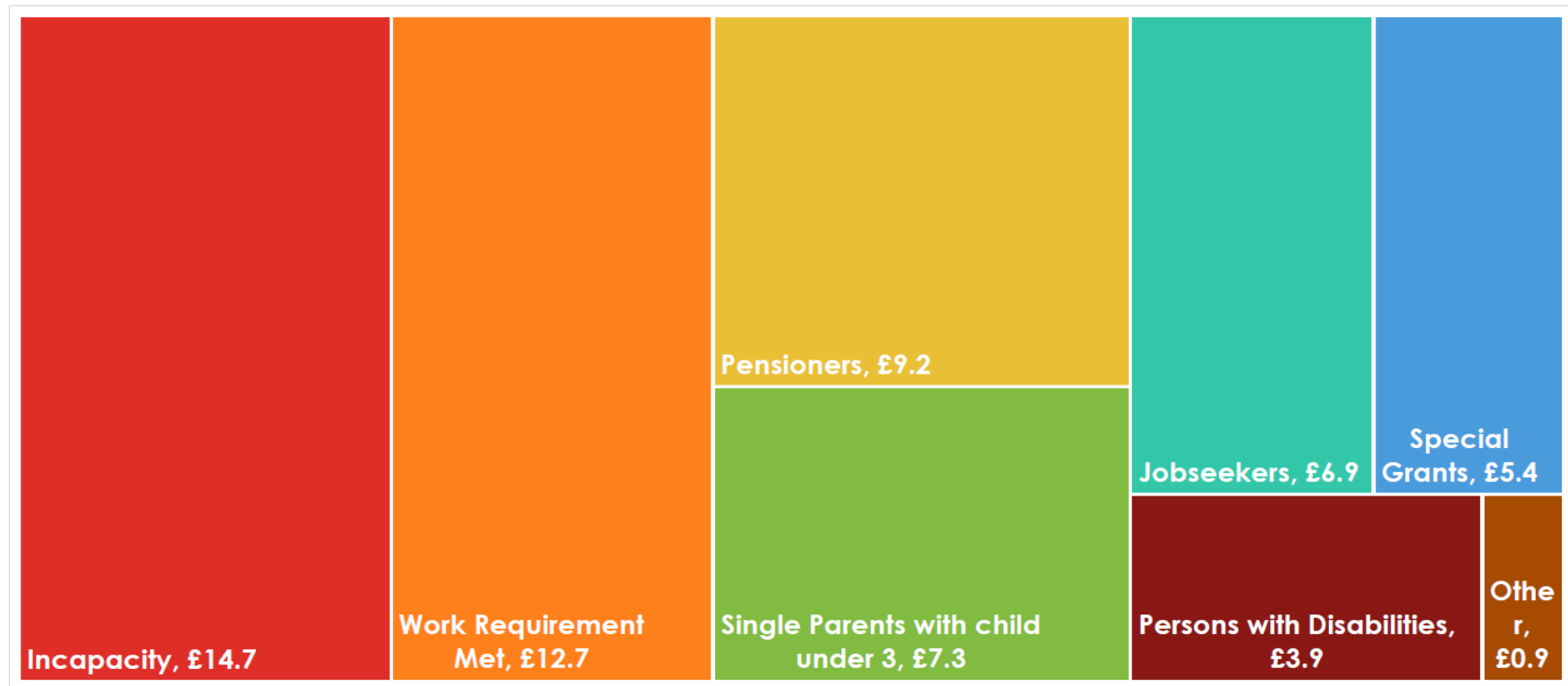
W P McHugh
Non-States Member

APPENDIX 1

Income support expenditure by claim classification – 2026 forecast

INCOME SUPPORT - £m

2026 FORECAST - total £61.0m

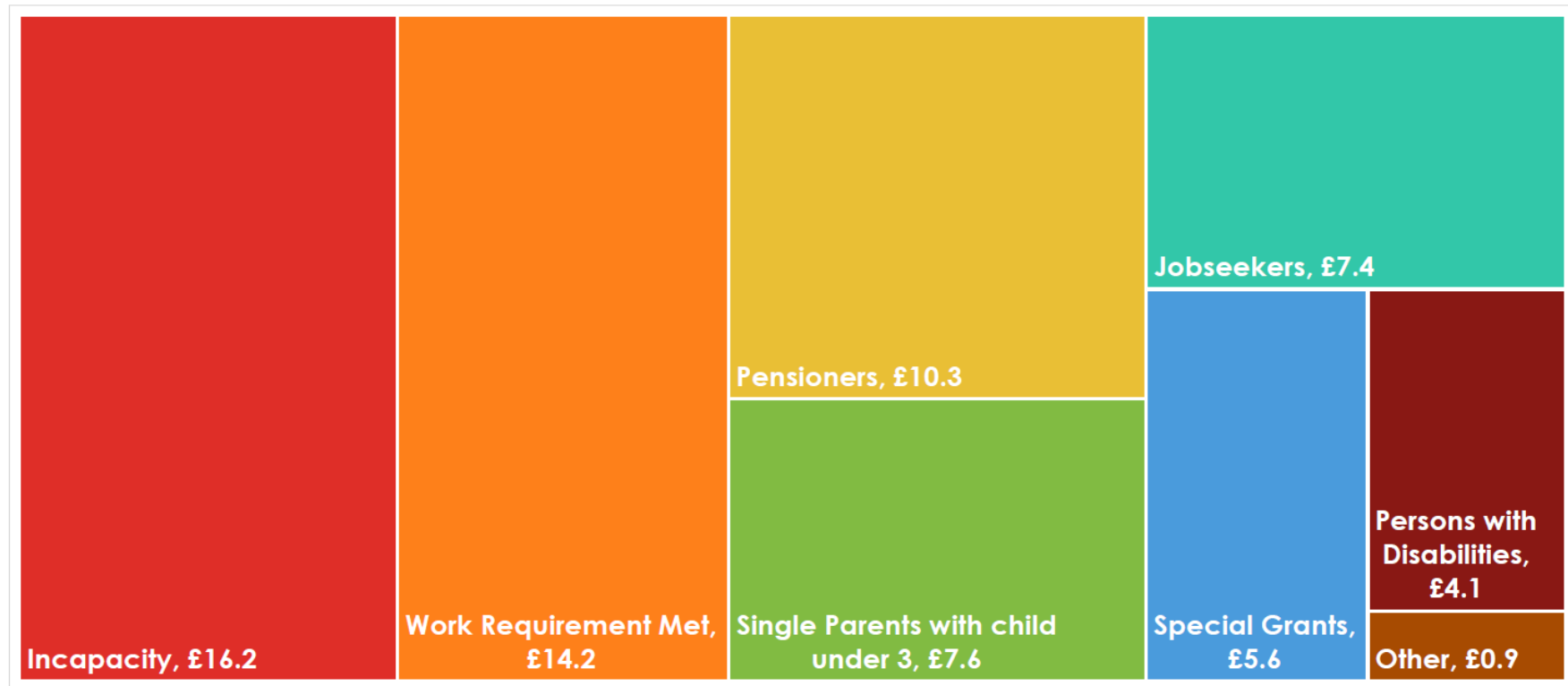


APPENDIX 2

Income support expenditure by claim classification – 2027 projected expenditure

INCOME SUPPORT - £m

2027 PROJECTED EXPENDITURE - total £66.3m



APPENDIX 3

Current and proposed payment tariffs for 2027 under the Mesothelioma Compensation Scheme

Age of eligible person at date of diagnosis or date of death	2026 (current)		2027 (proposed)	
	Eligible person	Eligible relative	Eligible person	Eligible relative
<= 37	£120,035	£62,468	£125,437	£65,279
38	£117,701	£61,124	£122,998	£63,875
39	£115,374	£59,784	£120,566	£62,474
40	£113,042	£58,445	£118,129	£61,075
41	£110,709	£57,106	£115,691	£59,676
42	£108,380	£55,765	£113,257	£58,274
43	£107,218	£54,482	£112,043	£56,934
44	£106,045	£53,190	£110,817	£55,584
45	£104,883	£51,916	£109,603	£54,252
46	£103,718	£50,634	£108,385	£52,913
47	£102,552	£49,356	£107,167	£51,577
48	£99,295	£47,781	£103,763	£49,931
49	£96,030	£46,205	£100,351	£48,284
50	£92,764	£44,634	£96,938	£46,643
51	£89,505	£43,065	£93,533	£45,003
52	£86,233	£41,493	£90,113	£43,360
53	£83,905	£40,206	£87,681	£42,015
54	£81,577	£38,926	£85,248	£40,678
55	£79,251	£37,645	£82,817	£39,339
56	£76,909	£36,355	£80,370	£37,991
57	£74,580	£35,115	£77,936	£36,695
58	£68,521	£31,528	£71,604	£32,947
59	£62,461	£27,969	£65,272	£29,228
60	£56,408	£24,418	£58,946	£25,517
61	£50,345	£20,861	£52,611	£21,800
62	£44,286	£17,304	£46,279	£18,083
63	£40,554	£16,287	£42,379	£17,020
64	£36,822	£15,280	£38,479	£15,968
65	£33,099	£14,293	£34,588	£14,936
66	£29,369	£13,228	£30,691	£13,823
67(+)	£25,642	£10,344	£26,796	£10,809
68	£24,881		£26,001	
69	£24,119		£25,204	

Age of eligible person at date of diagnosis or date of death	2026 (current)		2027 (proposed)	
	Eligible person	Eligible relative	Eligible person	Eligible relative
70	£23,368		£24,420	
71	£22,612		£23,630	
72	£21,856		£22,840	
73	£21,305		£22,264	
74	£20,554		£21,479	
75	£19,925		£20,822	
76	£19,293		£20,161	
77+	£18,650		£19,489	