

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

25th May, 2022

Proposition No. P.2022/31

Committee for Employment & Social Security

Secondary Pensions: Implementation of Your Island Pension

SURSIS

Proposed by: Deputy C. P. Meerveld
Seconded by: Deputy A Dudley-Owen

To sursis the propositions until 23 November 2022 or until the conclusion of the Tax Review, whichever is the later.

Rule 4(1) Information

- a) The proposition contributes to the States' objectives and policy plans by enabling the impact of increasing taxes and broader economic considerations to be taken into account when considering the introduction of this policy
- b) In preparing the proposition there has been no consultation with stakeholders or the Committee for Employment & Social Security
- c) The proposition has been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications.
- d) There are no financial implications to the States of carrying the proposal into effect.

Explanatory Note

The introduction of secondary pensions will reduce employees' disposable income and increase costs for businesses when significant financial pressures are accumulating for both individuals and companies from the combinations of Brexit, COVID, the war in Ukraine, and potential substantial tax increases.

In this unprecedented and unpredictable economic environment, introducing the secondary pensions regime will exacerbate the severe financial difficulties both individuals and businesses face.

Whilst affirming the principles of secondary pension proposals it is important that the Assembly should delay debating the introduction of such a scheme for a year to allow the Assembly to determine what taxation changes it will make and better to understand the economic impact of Brexit, COVID, and the war in Ukraine.

Only by delaying this decision can the Assembly make an informed decision on the overall reduction of disposable income for Guernsey's hard-pressed families and the degree of the decline in their standard of living that this combination of factors will cause.