

## Guernsey

Exchange rate: US\$1.00 = 0.74 pounds (£).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1925 (old age) and 1935 (old age and survivors).

**Current laws:** 1971 (social assistance), 1978 (social insurance), and 1984 (severe disability benefit and carer's allowance).

**Type of program:** Social insurance and social assistance system.

#### Coverage

**Social insurance:** Employed and self-employed persons younger than the normal retirement age; nonemployed persons, and persons who have reached the normal retirement age, with an annual income of at least £17,940.

Voluntary coverage for nonemployed persons younger than the normal retirement age with an annual income of less than £17,940, and for previously insured persons living abroad.

**Social assistance:** Residents of Guernsey, Alderney, Herm, and Jethou.

#### Source of Funds

##### Insured person

**Social insurance:** 6.6% of covered earnings; none for persons who have reached the normal retirement age; 10.4% of annual income for nonemployed persons younger than the normal retirement age (old age and survivors); a flat rate of £19.66 for the voluntarily insured (higher rates for insured persons living abroad).

The minimum weekly earnings used to calculate contributions are £138.

The maximum weekly earnings used to calculate contributions are £2,748.

The insured person's contributions also finance sickness, maternity, work injury, and unemployment benefits; prescription medicines; long-term care; and some medical services.

The nonemployed person's (younger than the normal retirement age) contributions also finance prescription medicines, long-term care, and some medical services.

The minimum annual income of nonemployed persons used to calculate contributions is £17,940. Nonemployed persons

with annual income above £17,940 pay contributions on their annual income less an income allowance of £8,110.

The maximum annual income of nonemployed persons used to calculate contributions is £142,896.

**Social assistance:** None.

##### Self-employed person

**Social insurance:** 11% of covered earnings.

The minimum annual earnings used to calculate contributions are £7,176.

The maximum annual earnings used to calculate contributions are £142,896.

The self-employed person's contributions also finance sickness, maternity, and work injury benefits; prescription medicines; long-term care; and some medical services.

**Social assistance:** None.

##### Employer

**Social insurance:** 6.6% of covered payroll.

The minimum weekly earnings used to calculate contributions are £138.

The maximum weekly earnings used to calculate contributions are £2,748.

The employers contributions also finance sickness, parental, work injury, and unemployment benefits; prescription medicines; and some medical services.

**Social assistance:** None.

##### Government

**Social insurance:** 14.7% of total contributions; contributes as an employer.

**Social assistance:** The total cost.

#### Qualifying Conditions

**Old-age pension (social insurance):** Age 65 (gradually rising by two months a year from 2020 until reaching age 70 in 2049) with at least 156 weeks of paid contributions and an annual average of at least 50 weeks of paid or credited contributions in the period from age 20 to the normal retirement age.

**Partial pension:** Paid at the normal retirement age with at least 156 weeks of paid contributions and an annual average of 10 to 49 weeks of paid or credited contributions in the period from age 20 to the normal retirement age.

Contributions may be credited for each complete contributory week the insured received or was entitled to receive the disability pension (incapacity benefit), maternal health allowance, newborn care allowance, parental allowance, sickness benefit, work injury benefit, or unemployment benefit. In addition, contributions may be credited for each complete contributory week the insured received or was

entitled to receive the family allowance for a child younger than age 16.

Retirement is not necessary.

Dependent's supplement: Paid for a dependent wife younger than the normal retirement age with an annual average of at least 50 weeks of paid or credited contributions; 10 to 49 weeks for a reduced supplement. From January 1, 2014, the supplement is only paid to people who were receiving it as at December 31, 2013, and who remain eligible.

The old-age pension is payable abroad.

**Disability pension (incapacity benefit, social insurance):** Must be assessed as incapable of any work and have at least 50 weeks of paid or credited contributions in the relevant contribution year for the full pension. Paid after entitlement to the cash sickness benefit ceases (see Sickness and Maternity).

Contributions may be credited for each complete contributory week the insured received or was entitled to receive the disability pension (incapacity benefit), maternal health allowance, newborn care allowance, parental allowance, sickness benefit, work injury benefit, or unemployment benefit. In addition, contributions may be credited for each complete contributory week the insured was in full-time studies or training in the year immediately before the claim is made, provided the studies or training have been completed and were begun before age 20.

The relevant contribution year for benefit claims made from January to June is two years before the year of the claim; for benefit claims made from July to December, one year before the year of the claim.

Partial pension: A reduced pension is paid with 26 to 49 weeks of paid or credited contributions in the relevant contribution year.

The disability pension ceases at the normal retirement age and is replaced by the old-age pension.

The disability pension is payable abroad under most reciprocal agreements.

**Severe disability benefit (social assistance, income tested):** Paid after three months of severe disability (special conditions apply if the insured is terminally ill). The insured must have been born in Guernsey, Alderney, Herm, or Jethou, or resided in Guernsey, Alderney, Herm, or Jethou for at least five years.

Income test: Annual household income must not exceed £97,000.

**Carer's allowance (social assistance, income tested):** Must be older than age 18 and caring for a person with a severe disability for at least 35 hours a week.

Income test: Annual household income must not exceed £97,000.

**Widowed parent's allowance (social insurance):** The deceased must have had an annual average of at least

50 weeks of paid or credited contributions from age 20 to the year of death for the full benefit; 10 to 49 weeks for the reduced benefit. There is no minimum qualifying period if the insured's death was the result of a work injury or an occupational disease.

Eligible survivors: A widow(er) younger than the normal retirement age who was married to the deceased at the time of death and is caring for at least one dependent child.

The widowed parent's allowance ceases upon remarriage, cohabitation, or if there is no longer at least one dependent child.

The widowed parent's allowance ceases at the normal retirement age and is replaced by the old-age pension.

The widowed parent's allowance is payable abroad.

**Bereavement allowance (social insurance):** The deceased had an annual average of at least 50 weeks of paid or credited contributions from age 20 to the year of death for the full benefit; 10 to 49 weeks for the reduced benefit. There is no minimum qualifying period if the insured's death was the result of a work injury or an occupational disease.

Eligible survivors: A widow(er) younger than the normal retirement age who was married to the deceased at the time of death and has no dependent children. Must not receive the widowed parent's allowance.

The bereavement allowance ceases upon remarriage or cohabitation.

The bereavement allowance ceases at the normal retirement age and is replaced by the old-age pension.

The bereavement allowance is payable abroad.

**Survivor grant (bereavement payment, social insurance):** The deceased had an annual average of at least 50 weeks of paid or credited contributions from age 20 to the year of death for the full benefit; 10 to 49 weeks for the reduced benefit. The benefit is paid to the widow(er) who was married to the deceased at the time of death. There is no minimum qualifying period if the insured's death was the result of a work injury or an occupational disease.

Contributions may be credited for each complete contributory week the insured received or was entitled to receive the disability pension (incapacity benefit), maternal health allowance, newborn care allowance, parental allowance, sickness benefit, work injury benefit, or unemployment benefit. In addition, contributions may be credited for each complete contributory week the insured received or was entitled to receive the family allowance for a child younger than age 16.

The survivor grant can be combined with other survivor benefits.

The survivor grant is payable abroad.

**Death grant (social insurance):** The deceased must have had an annual average of 45 to 52 weeks of paid or credited

contributions from age 20 to the year of death and 26 weeks since 1971 for the full benefit; an annual average of 10 to 44 weeks for the reduced benefit.

Contributions may be credited for each complete contributory week the insured received or was entitled to receive the disability pension (incapacity benefit), maternal health allowance, newborn care allowance, parental allowance, sickness benefit, work injury benefit, or unemployment benefit. In addition, contributions may be credited for each complete contributory week the insured received or was entitled to receive the family allowance for a child younger than age 16.

Eligible survivors include a widow(er), a child, the next of kin, or the person who paid for the funeral.

The death grant is payable abroad.

### **Old-Age Benefits**

**Old-age pension (social insurance):** £212.27 a week is paid.

Partial pension: From £42.45 to £208.02 a week is paid depending on the annual average of paid or credited weekly contributions below the maximum of 50.

Dependent's supplement: £106.33 a week is paid for a dependent adult; from £21.27 to £104.20 a week with a partial pension.

Benefit adjustment: All old-age benefits are adjusted annually on the recommendation of the Committee for Employment and Social Security.

### **Permanent Disability Benefits**

**Disability pension (incapacity benefit, social insurance):** £187.74 a week is paid.

Partial pension: From £103.25 to £182.14 a week is paid depending on the annual average of paid or credited weekly contributions below the maximum of 50.

**Severe disability benefit (social assistance, income tested):** £103.88 a week is paid.

**Carer's allowance (social assistance, income tested):** £84.06 a week is paid.

Benefit adjustment: All disability benefits are adjusted annually on the recommendation of the Committee for Employment and Social Security.

### **Survivor Benefits**

**Widowed parent's allowance (social insurance):** £223.22 a week is paid; from £95.15 to £220.02 a week for the reduced benefit.

**Bereavement allowance (social insurance):** £191.94 a week is paid for up to 52 weeks; from £38.39 to £188.10 a week for the reduced benefit.

**Survivor grant (bereavement payment, social insurance):** A lump sum of £1,928 is paid; from £386 to £1,889 for the reduced benefit.

**Death grant (social insurance):** A lump sum of £610 is paid; from £305 to £457.50 for the reduced benefit.

Benefit adjustment: All survivors benefits are adjusted annually on the recommendation of the Committee for Employment and Social Security.

### **Administrative Organization**

Committee for Employment and Social Security (<https://www.gov.gg/>) administers the programs and collects contributions.

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### **Sickness and Maternity**

#### **Regulatory Framework**

**First laws:** 1964 (sickness), 1971 (maternity), and 1972 (medicine).

**Current laws:** 1971 (social assistance), 1978 (social insurance), 1990 (medical benefits), and 2002 (long-term care).

**Type of program:** Social insurance (cash benefits) and universal (cash benefits, medical benefits, and long-term care) system.

#### **Coverage**

**Social insurance:** Employed and self-employed persons with weekly earnings of at least £138.

**Universal:** Residents of Guernsey, Alderney, Herm, or Jethou.

#### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors. All persons who have reached the normal retirement age contribute 3.4% of annual income (long-term care and medical benefits).

The minimum annual income of nonemployed persons used to calculate contributions is £17,940. Nonemployed persons with annual income above £17,940 pay contributions on their annual income less an income allowance of £8,110.

The maximum annual income of nonemployed persons used to calculate contributions is £142,896.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** See source of funds under Old Age, Disability, and Survivors; the total cost of supplementary benefits.

## Qualifying Conditions

**Cash sickness benefit (social insurance):** Must have at least 26 weeks of paid contributions since first becoming covered, and at least 26 weeks of paid or credited contributions in the relevant contribution year. The full benefit is paid with at least 50 weeks of paid or credited contributions in the relevant contribution year; the benefit is proportionately reduced with less than 50 weeks of paid or credited contributions in the relevant contribution year.

Contributions may be credited for each complete contributory week the insured received or was entitled to receive the disability pension (incapacity benefit), maternal health allowance, newborn care allowance, parental allowance, sickness benefit, work injury benefit, or unemployment benefit. In addition, contributions may be credited for each complete contributory week the insured was in full-time studies or training in the year immediately before the claim is made, provided the studies or training have been completed and were begun before age 20.

The relevant contribution year for benefit claims made from January to June is two years before the year of the claim; for benefit claims made from July to December, one year before the year of the claim.

**Maternal health allowance (social insurance):** Paid to a mother or pregnant women who takes time off work for maternal health reasons.

Must have at least 26 weeks of paid contributions since first becoming covered and at least 26 weeks of paid or credited contributions in the relevant contribution year. The full benefit is paid with at least 50 weeks of paid or credited contributions in the relevant contribution year; the benefit is proportionately reduced with less than 50 weeks of paid or credited contributions.

Contributions may be credited for each complete contributory week the insured received or was entitled to receive the disability pension (incapacity benefit), maternal health allowance, newborn care allowance, parental allowance, sickness benefit, work injury benefit, or unemployment benefit. In addition, contributions may be credited for each complete contributory week the insured was in full-time studies or training in the year immediately before the claim is made, provided the studies or training have been completed and were begun before age 20.

The relevant contribution year for benefit claims made from January to June is two years before the year of the claim; for benefit claims made from July to December, one year before the year of the claim.

The maternal health allowance ceases two weeks after the birth and is replaced by the newborn care allowance.

**Newborn care allowance and parental allowance (social insurance):** Paid to a parent who takes time off work to care for a newborn or an adopted child.

Must have at least 26 weeks of paid contributions since first becoming covered and at least 26 weeks of paid or credited contributions in the relevant contribution year. The full benefit is paid with at least 50 weeks of paid or credited contributions in the relevant contribution year; the benefit is proportionately reduced with less than 50 weeks of paid or credited contributions.

Contributions may be credited for each complete contributory week the insured received or was entitled to receive the disability pension (incapacity benefit), maternal health allowance, newborn care allowance, parental allowance, sickness benefit, work injury benefit, or unemployment benefit. In addition, contributions may be credited for each complete contributory week the insured was in full-time studies or training in the year immediately before the claim is made, provided the studies or training have been completed and were begun before age 20.

The relevant contribution year for benefit claims made from January to June is two years before the year of the claim; for benefit claims made from July to December, one year before the year of the claim.

**Maternity and adoption grant (universal):** There is no minimum qualifying period. Must be registered with the Committee for Employment and Social Security, insured, and ordinarily resident in Guernsey, Alderney, Herm, or Jethou.

The maternity grant and adoption grant can be combined with other parental benefits.

**Long-term and respite care benefit (universal):** Must have resided in Guernsey, Alderney, Herm, or Jethou for at least five years at any time, including one year immediately before the claim is made, and must receive residential care, residential care with elderly mentally infirm care, or nursing care in an approved care facility.

**Medical benefits (universal):** There is no minimum qualifying period. Must be registered with the Committee for Employment and Social Security.

## Sickness and Maternity Benefits

**Sickness benefit (social insurance):** £156.17 a week is paid after a three-day waiting period if the insured has at least 50 weeks of paid or credited contributions in the relevant contribution year; with 26 to 49 weeks of contributions, from £85.89 to £151.48 a week is paid depending on the number of paid or credited contributions.

The benefit is paid for up to 26 weeks. If the person remains unable to work after 26 weeks, the sickness benefit is replaced by the disability pension (incapacity benefit).

**Maternal health allowance (social insurance):** £212.66 a week is paid if the insured has at least 50 weeks of paid or credited contributions in the relevant contribution year; with 26 to 49 weeks of contributions, from £116.97 to £206.29 a week is paid depending on the number of paid or

credited contributions. The maternal health allowance must start no earlier than 11 weeks before the expected date of birth and no later than the actual date of birth, depending on the insured's choice.

The maternal health allowance ceases two weeks after the birth and is replaced by the newborn care allowance. The maternal health allowance and newborn care allowance can be claimed for up to a total of 26 weeks and cannot be claimed at the same time.

**Newborn care allowance (social insurance):** £212.66 a week is paid if the insured has at least 50 weeks of paid or credited contributions in the relevant contribution year; with 26 to 49 weeks of contributions, from £116.97 to £206.29 a week is paid depending on the number of paid or credited contributions. The newborn care allowance must start no earlier than two weeks after the date of birth. The newborn care allowance and maternal health allowance can be claimed for up to a total of 26 weeks and cannot be claimed at the same time.

**Adoption allowance (parental allowance, social insurance):** £212.66 a week is paid if the insured has at least 50 weeks of paid or credited contributions in the relevant contribution year; with 26 to 49 weeks of contributions, from £116.97 to £206.29 a week is paid depending on the number of paid or credited contributions. The benefit is paid for up to 26 weeks, beginning two weeks after the date of childbirth.

**Maternity and adoption grant (universal):** A lump sum of £391 is paid.

**Long-term and respite care benefit (universal):** £444.57 a week is paid for residential home care; £585.76 a week if assessed with an elderly mental infirmity (EMI); and £829.99 a week for nursing home care. Recipient of care must pay a copayment of £200.62 a week.

£645.19 a week is paid for respite care provided in a residential home; £786.38 a week if assessed with an EMI; or £1,030.61 a week for respite care provided in a nursing home. No copayment is required from persons receiving respite care.

There is no limit to duration for long-term care benefits.

### **Workers' Medical Benefits**

The government provides acute hospital accommodation. Specialist group practices under contract with the government provide specialist medical services.

Cost sharing: The insured pays a flat-rate fee of £3.90 for each item prescribed. The fund pays additional costs. There is no prescription fee for persons who have reached the normal retirement age or for social assistance beneficiaries and their dependents. The fund pays a partial subsidy for medical consultations directly to an approved doctor (£12) or nurse (£6).

### **Dependents' Medical Benefits**

Medical benefits for dependents are the same as those for the insured.

Eligible dependents include the insured's children. Non-working spouses must be registered and covered in their own right.

### **Administrative Organization**

Committee for Employment and Social Security (<https://www.gov.gg/article/152827/Employment—Social-Security/>) administers cash benefits and collects contributions.

Committee for Health and Social Care (<https://www.gov.gg/hsc/>) administers hospital benefits.

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### **Work Injury**

#### **Regulatory Framework**

**First law:** 1925.

**Current law:** 1978 (social insurance).

**Type of program:** Social insurance system.

#### **Coverage**

Employed and self-employed persons.

#### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** See source of funds under Old Age, Disability, and Survivors.

#### **Qualifying Conditions**

Must be assessed with a work injury or occupational disease.

#### **Temporary Disability Benefits**

**Temporary disability benefit (industrial injury):** £156.17 a week is paid after a three-day waiting period for up to 26 weeks; thereafter, the insured may be entitled to receive the full disability pension (incapacity benefit) (see Old Age, Disability, and Survivors) until reaching the normal retirement age.

#### **Permanent Disability Benefits**

**Permanent disability benefit (industrial disablement):** For a total (100%) disability, £171.06 a week is paid.

Partial disability: For an assessed degree of disability of 20% to 99%, £34.21 to £153.95 a week is paid depending on the assessed degree of disability.

A medical board assesses the degree of disability.

Benefits are also provided under Old Age, Disability, and Survivors, and Sickness and Maternity.

Benefit adjustment: Benefits are adjusted annually on the recommendation of the Committee for Employment and Social Security.

### **Workers' Medical Benefits**

Benefits for the treatment of work injuries and occupational diseases include the cost of all necessary medical or other treatment, travel expenses, and equipment and appliances (including maintenance).

The government provides hospital accommodation. Specialist group practices under contract with the government provide specialist medical services.

There is no cost sharing.

### **Survivor Benefits**

See Old Age, Disability, and Survivors.

### **Administrative Organization**

Committee for Employment and Social Security (<https://www.gov.gg/article/152827/Employment—Social-Security/>) administers the program and collects contributions.

## **Unemployment**

### **Regulatory Framework**

**First law:** 1964.

**Current law:** 1978 (social insurance).

**Type of program:** Social insurance system.

### **Coverage**

Employed persons with weekly earnings of at least £138.

Exclusions: Self-employed and nonemployed persons.

### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** Not applicable.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** See source of funds under Old Age, Disability, and Survivors.

### **Qualifying Conditions**

Must have at least 26 weeks of paid contributions since first becoming covered and at least 26 weeks of paid or credited contributions in the relevant contribution year. The full benefit is paid with at least 50 weeks of paid or credited contributions in the relevant contribution year; the benefit is proportionately reduced with less than 50 weeks of paid or credited contributions.

Contributions may be credited for each complete contributory week the insured received or was entitled to receive the disability pension (incapacity benefit), maternal health allowance, newborn care allowance, parental allowance, sickness benefit, work injury benefit, or unemployment benefit. In addition, contributions may be credited for each complete contributory week the insured was in full-time studies or training in the year immediately before the claim is made, provided the studies or training have been completed and were begun before age 20.

The relevant contribution year for benefit claims made from January to June is two years before the year of the claim; for benefit claims made from July to December, one year before the year of the claim.

The insured must register at a job center each week to confirm his or her availability for work. The insured may be disqualified for 10 weeks for leaving employment voluntarily, misconduct, or refusing a suitable work offer.

### **Unemployment Benefits**

£156.17 a week is paid with at least 50 weeks of paid or credited contributions in the relevant contribution year; with 26 to 49 weeks, £85.89 to £151.48 a week is paid depending on the number of paid or credited contributions.

The benefit is paid for up to 210 days in any one period of unemployment.

Requalification for the benefit requires 13 additional weeks of employment with weekly earnings of at least 40 times the young person's minimum hourly wage rate. Persons enrolled in a training course that is fully or partially funded by the States of Guernsey are not entitled to requalify for the benefit.

The young person's minimum hourly wage rate is £7.05.

Benefit adjustment: Benefits are adjusted annually on the recommendation of the Committee for Employment and Social Security.

### **Administrative Organization**

Committee for Employment and Social Security (<https://www.gov.gg/article/152827/Employment—Social-Security/>) administers the program and collects contributions.

## **Family Allowances**

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### **Regulatory Framework**

**First law:** 1943.

**Current laws:** 1950 (family allowances) and 1971 (social assistance).

**Type of program:** Universal and social assistance system.

### **Coverage**

Residents of Guernsey, Alderney, Herm, and Jethou.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

### **Qualifying Conditions**

**Family allowances (universal):** Paid to a parent or guardian of a child younger than age 16 (age 20 if a student). The parent or guardian must have been born in Guernsey, Alderney, Herm, or Jethou or resided in Guernsey, Alderney, Herm, or Jethou for at least 52 weeks in the last two years.

**Supplementary benefits (social assistance, means tested):** Must be aged 18 or older, not be in full-time education, and be employed in full-time paid work.

Means test: Total household income must be less than the prescribed minimum amount required to live on (the “requirement rate”), and assets must not exceed £20,000. Some earnings and benefits are disregarded for the calculation of total income.

The requirement rate varies depending on the household’s circumstances.

### **Family Allowance Benefits**

**Family allowances (universal):** £13.90 a week is paid for each eligible child.

Benefit adjustment: Benefits are adjusted annually on the recommendation of the Committee for Employment and Social Security.

**Supplementary benefit (social assistance, means tested):** Up to £670 a week is paid, depending on household income and circumstances, and the number and age of dependents.

### **Administrative Organization**

Committee for Employment and Social Security (<https://www.gov.gg/article/152827/Employment—Social-Security/>) administers the program.