



PRESS RELEASE

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Increase of Social Insurance Contribution

Her Majesty's Government of Gibraltar has announced today that, for the first time in seven years, it will review social insurance contributions. The review will take effect from 1 April 2017.

Accordingly, the maximum payments for social insurance contributions will increase for both Employers and Employees by 10% to £36.50 (from £32.97) for Employers and £27.50 (from £25.16) for Employees. The minimum payments will also increase by the same margin to £16.50 (from £15.00) for Employers and £5.50 (from £5.00) for Employees.

This is the first increase to the maximum and minimum Social Insurance contributions since 1st July 2010 despite the continued increased cost to Government in the provision of these services over those years.

The Government is committed to a total reform of the entire structure of the Social Insurance Fund. Work to deliver total reform this is ongoing, as is an across the Government effort to increase efficiency, manage recurrent expenditure and deliver better value for money. These efforts will include the further introduction of eServices, radically improving the speed and efficiency of communicating with Government by individuals and businesses and enhancing the diversity of services to be offered by Government through this medium. The first of these new initiatives will be the introduction shortly of a new service, exclusively online for all suppliers to Government and the GHA which will enable and facilitate live contract management including quality and pricing from all pre-approved suppliers.

The options open to Government in respect of this total reform will also be greater once the United Kingdom and Gibraltar have left the European Union.

Government has engaged with the Chamber of Commerce, Federation of Small Business (GFSB) to appraise them of these matters and welcomes their understanding of the need for the increase in Social Insurance and support for the introduction of eServices across Government and has also informed the Unions of the steps being taken. These associations are conscious that this step had been consulted on last year and delayed. Government will continue to engage with these parties on the restructure of the Social Insurance Fund.