

# STATES OF JERSEY



## **DRAFT EMPLOYMENT (MINIMUM WAGE) (AMENDMENT No. 15) (JERSEY) REGULATIONS 201-**

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**Lodged au Greffe on 26th October 2018  
by the Minister for Social Security**

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**STATES GREFFE**





Jersey

## DRAFT EMPLOYMENT (MINIMUM WAGE) (AMENDMENT No. 15) (JERSEY) REGULATIONS 201-

### REPORT

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#### Background

The independent consultation body, the Employment Forum (“the Forum”), conducted a review of the minimum wage during the period June to September 2018 and issued its recommendations to the Minister for Social Security (“the Minister”) on 28 September 2018.

The Minister presented the Forum’s recommendations as a Report to the States on 11 October 2018 ([R.131/2018](#)) and notified the States that she had accepted the recommended minimum wage rates, as shown in the table below.

#### Minimum wage rates – current and proposed for 2019

	<i>April 2018</i>	<i>April 2019</i>	<i>October 2019</i>
Minimum Wage (per hour)	£7.50	<b>£7.88</b>	<b>£8.02</b>
Trainee Rate Year 1 (per hour)	£5.63	<b>£5.91</b>	<b>£6.02</b>
Trainee Rate Year 2 (per hour)	£6.56	<b>£6.90</b>	<b>£7.02</b>
Maximum weekly offset against minimum wage for accommodation	£82.12	<b>£86.23</b>	<b>£87.78</b>
Maximum weekly offset against minimum wage for accommodation and food	£109.47	<b>£114.94</b>	<b>£117.01</b>
Maximum weekly offset against trainee rates for accommodation	£61.59	<b>£64.67</b>	<b>£65.84</b>
Maximum weekly offset against trainee rates for accommodation and food	£82.10	<b>£86.21</b>	<b>£87.76</b>

The Forum was established in 1999 and its role and responsibilities are set out in the [Employment \(Jersey\) Law 2003](#). The Forum has a statutory duty to consult on the minimum wage and to make recommendations to the Minister regarding any future increases, taking into account the consultation responses, the economy of Jersey and competitiveness.

In accordance with a decision of the States Assembly in March 2018<sup>1</sup>, the Forum must also have regard to the States' aspiration that the minimum wage should be equivalent to 45% of average weekly earnings by 2020, subject to consideration of low-paid jobs, the economy and competitiveness.

Within the context of the evidence this year, the Minister was satisfied that the Forum had recommended an appropriate increase to be applied in 2 stages. The Minister has accepted the Forum's unanimous recommendation to increase the minimum wage by 6.9% overall, to £7.88 per hour on 1 April 2019 and £8.02 per hour on 1 October 2019.

### **Draft Regulations**

Regulations relating to the minimum wage may be made under Part 4 of the [Employment \(Jersey\) Law 2003](#). The [Employment \(Minimum Wage\) \(Jersey\) Regulations 2004](#) ("the Regulations") ensure that an employer's ability to offset the cost or value of benefits in kind against the minimum wage is limited to living accommodation, or living accommodation with 3 meals each day. The Regulations also set a maximum value for those benefits in kind for the purpose of calculating whether the appropriate minimum wage or trainee rate has been paid.

In accordance with the Forum's recommendations, the Draft Employment (Minimum Wage) (Amendment No. 15) (Jersey) Regulations 201- would substitute Regulation 9 so that –

- the maximum values that may be attributed to the 2 benefits in kind for the purpose of establishing whether the **minimum wage** has been paid would increase proportionately to the increase in the minimum wage rate – a 5% increase from 1 April 2019 and a further 1.8% increase from 1 October 2019;
- the maximum values that may be attributed to the 2 benefits in kind for the purpose of establishing whether the relevant **trainee rate** has been paid would be set at 75% of the maximum amounts that may be offset against minimum wage pay.

The Minister will also amend the [Employment \(Minimum Wage\) \(Jersey\) Order 2007](#) to increase the minimum wage and trainee rates, in accordance with the Forum's recommendations.

### **Financial and manpower implications**

There are no financial or manpower implications for the States arising from the adoption of these draft Regulations.

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<sup>1</sup> [P.121/2017, as amended](#)

## Explanatory Note

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These draft Regulations would further amend the Employment (Minimum Wage) (Jersey) Regulations 2004 to increase incrementally the maximum amounts which may be offset against the minimum wage where food and living accommodation, or living accommodation but not food, is provided by the employer to an employee.

Where the employer provides food and living accommodation, the maximum offset in the case of a trainee, with effect from 1st April 2019, is £86.21 per week or £12.32 per day and, with effect from 1st October 2019, £87.76 per week or £12.54 per day. In any other case the maximum offset, with effect from 1st April 2019, is £114.94 per week or £16.42 per day and, with effect from 1st October 2019, is £117.01 per week or £16.72 per day.

Where the employer provides living accommodation but does not provide food, the maximum offset in the case of a trainee, with effect from 1st April 2019, is £64.67 per week or £9.24 per day and, with effect from 1st October 2019, is £65.84 per week or £9.41 per day. In any other case the maximum offset, with effect from 1st April 2019, is £86.23 per week or £12.32 per day and, with effect from 1st October 2019, is £87.78 per week or £12.54 per day.





Jersey

**DRAFT EMPLOYMENT (MINIMUM WAGE)  
(AMENDMENT No. 15) (JERSEY)  
REGULATIONS 201-**

*Made* [date to be inserted]  
*Coming into force* [date to be inserted]

**THE STATES**, in pursuance of Articles 17, 18 and 104 of the Employment (Jersey) Law 2003<sup>1</sup>, have made the following Regulations –

**1 Regulation 9 of the Employment (Minimum Wage) (Jersey) Regulations 2004 substituted**

For Regulation 9 of the Employment (Minimum Wage) (Jersey) Regulations 2004<sup>2</sup> there is substituted the following Regulation –

**“9 Limits on amounts that may be taken into account for the provision of food and living accommodation**

- (1) Where the employer provides food and living accommodation –
  - (a) with effect from 1st April 2019, the amount to which Regulations 7(1)(d) and 8(1)(g) refer is –
    - (i) in the case of an employee who is a trainee, £86.21 per week or £12.32 per day, and
    - (ii) in any other case, £114.94 per week or £16.42 per day; and
  - (b) with effect from 1st October 2019, the amount to which Regulations 7(1)(d) and 8(1)(g) refer is –
    - (i) in the case of an employee who is a trainee, £87.76 per week or £12.54 per day, and
    - (ii) in any other case, £117.01 per week or £16.72 per day.
- (2) Where the employer provides living accommodation but does not provide food –
  - (a) with effect from 1st April 2019, the amount to which Regulations 7(1)(d) and 8(1)(g) refer is –

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- (i) in the case of an employee who is a trainee, £64.67 per week or £9.24 per day, and
  - (ii) in any other case, £86.23 per week or £12.32 per day; and
- (b) with effect from 1st October 2019, the amount to which Regulations 7(1)(d) and 8(1)(g) refer is –
    - (i) in the case of an employee who is a trainee, £65.84 per week or £9.41 per day, and
    - (ii) in any other case, £87.78 per week or £12.54 per day.”.

## 2 Citation and commencement

These Regulations may be cited as the Employment (Minimum Wage) (Amendment No. 15) (Jersey) Regulations 201- and come into force on 1st April 2019.



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- <sup>1</sup> *chapter 05.255*  
<sup>2</sup> *chapter 05.255.45*