
STATES OF JERSEY



MINIMUM WAGE INCREASE IN NOVEMBER 2022 AND OFFSET RATES IN JANUARY 2023

Presented to the States on 28th September 2022
by the Minister for Social Security

STATES GREFFE

REPORT

Introduction

On 8 September 2022, the Jersey Employment Forum presented its report and recommendations on the level of the minimum wage for January 2023 and associated issues to the Minister for Social Security. This included a consideration of the feasibility of an interim increase in the level of the minimum wage in October 2022 and what further steps might be taken to move further and more quickly to a target of two-thirds of median earnings by the end of 2024.

Having fully considered the matter, the Forum recommended an increase in the main minimum wage rate to £10.10 an hour from 1 January 2023. The Forum recommended a 20% increase in the level of offsets available to employers, again from 1 January 2023. The Forum decided not to recommend an interim increase in October 2022.

Ministerial decisions on the Employment Forum's recommendations

Under the Employment (Jersey) Law 2003, the Minister may make an Order which differs from the recommendations of the Forum.

The conclusions of the Forum in respect of increases in October 2022 and January 2023 have been considered carefully by the Minister. The Minister has also consulted with Ministerial colleagues.

The Minister noted the Forum's recommendations:

- not to make an interim increase in the minimum wage in October 2022
- to increase the minimum wage to £10.10 in January 2023,
- to make a 20% increase in respect of the offset rates at that time.

The Minister considers that, due to the current economic climate, action is needed to provide a significant increase in the level of the minimum wage as soon as possible

Therefore, the Minister intends to make an Order increasing the minimum wage to £10.50 an hour from 1 November 2022¹. This is an increase of 13.9% on the current minimum wage rate of £9.22 an hour. Trainee rates will increase in line with the main rate.

The Minister has also decided to raise the offset rates by more than that recommended by the Forum. The offset rates will increase by 26.2% from 1 January 2023. This increase reflects the higher minimum wage rate.

The most recent calculated value for a median wage produces a value of £18.75 per hour. The figure of £10.50 represents 56% of this rate.

As a result, the Minister's decisions are as follows:

¹ An Order to set a rate of £10 per hour from October 2022 was originally made by the Minister on 13 September. This Order will be rescinded and replaced by an Order to set the minimum wage rates as set out in this report.

	Current rate	1 November 2022	1 January 2023
% Uplift		13.9% minimum wage rates	26.2% offset rates
Minimum wage (per hour)	£9.22	£10.50	£10.50 (no change)
Trainee rate Year 1 (per hour)	£6.91	£7.87	£7.87 (no change)
Trainee rate Year 2 (per hour)	£8.07	£9.19	£9.19 (no change)
Maximum weekly offset for accommodation	£91.12	£91.12 (no change)	£115.00
Maximum weekly offset for accommodation and food	£121.46	£121.46 (no change)	£153.28
Maximum weekly offset against trainee rates for accommodation	£68.34	£68.34 (no change)	£86.25
Maximum weekly offset against trainee rates for accommodation and food	£91.10	£91.10 (no change)	£114.97