

STATES OF JERSEY



DRAFT EMPLOYMENT (MINIMUM WAGE) (AMENDMENT No. 14) (JERSEY) REGULATIONS 201-

**Lodged au Greffe on 24th October 2017
by the Minister for Social Security**

STATES GREFFE



Jersey

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REPORT

Background

The independent consultation body, the Employment Forum (“the Forum”), conducted a review of the minimum wage during the period June to September 2017, and issued its recommendation to the Minister for Social Security (“the Minister”) on 29th September 2017.

The Minister presented the Forum’s recommendation as a Report to the States on 5th October 2017 ([R.113/2017](#)) and notified the States that she had accepted the recommended minimum wage rates to apply from 1st April 2018, as shown in Table 1.

Table 1 – Minimum wage rates – current and proposed for 2018

	2017 £	2018 £
Minimum Wage (per hour)	7.18	7.50
Trainee Rate Year 1 (per hour)	5.39	5.63
Trainee Rate Year 2 (per hour)	6.28	6.56
Maximum weekly offset against minimum wage for accommodation	78.58	82.12
Maximum weekly offset against minimum wage for accommodation and food	104.76	109.47
Maximum weekly offset against trainee rates for accommodation	58.94	61.59
Maximum weekly offset against trainee rates for accommodation and food	78.57	82.10

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 April 2010, the Forum must also have regard to the States’ aspiration that the minimum wage should reach a figure equivalent to 45% of average weekly earnings by 2026, subject to consideration of competitiveness, jobs and the economy.

The Minister accepted the Forum's unanimous recommendation for a 4.5% increase in the minimum wage. This is the biggest percentage increase in 9 years and it exceeds the latest increases in average earnings (2.6%) and the cost of living (2.5%).

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. 14) (Jersey) Regulations 201- would amend Regulation 9 so that, from 1st April 2018 –

- 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 4.5% increase, and
- 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 has also amended the Employment (Minimum Wage) (Jersey) Order 2007 to increase the minimum wage and trainee rates, in accordance with the Forum's recommendations, with effect from 1st April 2018. The Employment (Minimum Wage) (Amendment No. 11) (Jersey) Order 2017 was made on 20th October 2017 and will be published as R&O.109/2017.

Collective responsibility under Standing Order 21 (3A)

The Council of Ministers has a single policy position on this proposition, and as such, all Ministers, and the Assistant Minister for Social Security, are bound by the principle of collective responsibility to support the proposition, as outlined in the Code of Conduct and Practice for Ministers and Assistant Ministers ([R.11/2015](#) refers).

Financial and manpower implications

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

Explanatory Note

These Regulations amend Regulation 9 of the Employment (Minimum Wage) (Jersey) Regulations 2004 to increase, with effect from 1st April 2018, the maximum amounts which may be offset against the minimum wage where living accommodation is provided by the employer. Where food is also provided in addition to accommodation, the maximum offset is increased to £109.47 per week or £15.64 per day, or in the case of a trainee to £82.10 per week or £11.73 per day. Where only accommodation is provided, the maximum offset is increased to £82.12 per week or £11.73 per day, or in the case of a trainee to £61.59 per week or £8.80 per day.



Jersey

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(AMENDMENT No. 14) (JERSEY)
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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 2003¹, have made the following Regulations –

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

In Regulation 9 of the Employment (Minimum Wage) (Jersey) Regulations 2004² –

- (a) in paragraph (1)(a) –
 - (i) for the amount “£78.57” there shall be substituted the amount “£82.10”,
 - (ii) for the amount “£11.22” there shall be substituted the amount “£11.73”;
- (b) in paragraph (1)(b) –
 - (i) for the amount “£104.76” there shall be substituted the amount “£109.47”,
 - (ii) for the amount “£14.97” there shall be substituted the amount “£15.64”;
- (c) in paragraph (2)(a) –
 - (i) for the amount “£58.94” there shall be substituted the amount “£61.59”,
 - (ii) for the amount “£8.42” there shall be substituted the amount “£8.80”;
- (d) in paragraph (2)(b) –
 - (i) for the amount “£78.58” there shall be substituted the amount “£82.12”,
 - (ii) for the amount “£11.23” there shall be substituted the amount “£11.73”.

2 Citation and commencement

These Regulations may be cited as the Employment (Minimum Wage) (Amendment No. 14) (Jersey) Regulations 201- and shall come into force on 1st April 2018.

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- ¹ *chapter 05.255*
² *chapter 05.255.45*