WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY BY DEPUTY S.Y. MÉZEC OF ST. HELIER ANSWER TO BE TABLED ON TUESDAY 20th FEBRUARY 2018

Question

In respect of the apprenticeship minimum wage, will the Minister -

- (a) provide the details of how many workers are currently being paid below the standard minimum wage rate on the basis of being classed as apprentices;
- (b) state what proportion of those workers are being paid exactly the apprenticeship minimum wage rate;
- (c) advise what process, if any, exists to assess if the apprenticeship minimum wage rate is being used appropriately by employers;
- (d) advise whether employers have to provide proof to the Social Security Department that their employee is undertaking genuine training, with a timetable for completion upon which the employee will be uprated to the standard minimum wage rate; and
- (e) state how many employers over the last 3 years, if any, have been found to be incorrectly paying staff the apprenticeship minimum wage rate?

Answer

There is no 'apprenticeship minimum wage' in Jersey and so this response provides details in relation to the minimum wage rates for trainees. The employment legislation permits a trainee rate to be paid to an employee of any age, who is undertaking approved training for a maximum period of two years, at any time within the first two years of a new job.

- (a) According to the survey undertaken by the Jersey Statistics Unit for the June 2016 report on the Index of Average Earnings less than 100 jobs were paid at the trainee rates.
- (b) The proportion of jobs paid at exactly one of the two trainee rates is not available from the average earnings data. As stated in response to a previous question (WQ.22/2018, tabled on 30 January 2018), anecdotally, the Department understands that few of the Trackers apprentices are paid a trainee wage and most are paid above the minimum wage rate. The Education Department may be able to provide more information specifically relating to Trackers apprentices.
- (c) The Minister's clear intention that the trainee rate must be used appropriately by employers is set out in the Jersey Advisory and Conciliation Service (JACS) guide (available on the JACS website¹) which states "The Minister's intention is that employers of different sizes and in different sectors should have sufficient flexibility, whilst ensuring that employees are paid the lower trainee rate only if they are being provided with relevant, formal training." Where a business is inspected by the Social Security Department and an employer is found to be paying the trainee rate, inspectors will first check that the requirements are met for that employee to qualify as 'a trainee' under the employment legislation. The employee must have a written training agreement with their employer and must be -

¹ https://www.jacs.org.je/legislation/employment-(jersey)-law-2003/2017-minimum-wage-approved-training/

- 1. over age 16
- 2. in the first 2 years of their employment in a particular job
- 3. undergoing approved training at any time during the first 2 years in that job
- 4. undergoing approved training for that particular job

The process of inspection includes pro-active and re-active surveys across all employer types. If an employee reports concerns, officers will conduct a visit and will ensure that any particular questions are addressed. In a routine survey officers will ensure that the correct minimum wage or trainee rate is being paid, and that terms and conditions of employment are inspected, including any training agreements that are in place. Where inspectors are informed of a possible wage infraction the wage records are inspected and sanctions are imposed if the employer does not agree to repay any underpayment of wages.

- (d) Where an inspector finds that a trainee rate is being paid, the employer is required to provide evidence to the Department for inspection demonstrating that the employee is undertaking approved training, including any training log and time scales. Taking into account the criteria for formal approved training as set out in the JACS guide which include that training outcomes must be assessed against pre-defined standards or benchmarks and that trainee achievements must be recorded and documented.
- (e) Social Security inspection data shows that in the 3 year period 2015 to 2017, 2 issues relating to the trainee rate were dealt with. In both cases the employer was required to pay the full minimum wage to the employee going forward, as well provide back pay at the minimum wage rate for hours previously worked. In such cases inspectors require the employee to confirm to the Department when they have received any wages owed to ensure that employer complies. If the Deputy is aware of issues relating to incorrect payment of the trainee rate, then he is encouraged to advise the affected individuals to contact the Social Security Department or to seek advice from the Jersey Advisory and Conciliation Service.