

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY  
BY DEPUTY G.P. SOUTHERN OF ST. HELIER  
ANSWER TO BE TABLED ON TUESDAY 1st MAY 2012**

**Question**

Will the Minister advise members what information, if any, he has on the extent to which 'zero hours' contracts are used by the Island's employers by sector and explain why such contracts are used?

Will he inform Ministers how such contracts interact with the Income Support system and whether they cause particular problems for its administration?

Will he further state whether he considers the use of 'zero-hours' to be harmful to employees and, if so, what steps, if any, will he take to discourage their use?

**Answer**

My department does not hold specific information on the prevalence of zero hour contracts, however departmental inspectors will examine employment contracts and wage information during regular survey visits.

Zero hours contracts are used to meet requirements for casual or irregular work where no particular number of hours or times of work are specified and there is no guarantee of work. They are useful when an employer needs a bank of 'casual workers' including recruitment agencies, bank nurses and supply teachers. In a zero hours contract, there should be no obligation on the part of the employer to offer work and no obligation on the worker to accept. Zero hours contracts may be used, for example, to cover ad hoc shifts, holidays, sickness and seasonal upturns in certain industries (particularly fulfilment, agriculture, hospitality and retail).

If an Income Support claimant is working sporadically under a zero hours contract, their Income Support claim will be reviewed frequently to ensure that the benefit amount is adjusted in line with actual earnings.

Depending on the number of hours actually worked, an Income Support claimant may also be required to undertake job-seeking activities in order to find more regular employment.

There are no specific problems identified with the administration of an Income Support claimant with a zero hours contracts per se. If an individual has earnings that fluctuate considerably from day to day or week to week, this will result in extra administration but this could be due to short-term temporary contracts, overtime, commission income and casual work or zero hours contracts.

Genuine zero hours contracts are necessary and appropriate, for both employers and employees.

The existence of a zero hours contract does not, of itself, absolve the employer from any responsibilities under the Employment Law. If an employer/employee relationship is in fact created, the Employment Tribunal will consider this and apply the Employment law accordingly

Since March 2011, the Jersey Advisory and Conciliation Service (JACS) has included the following advice on its website discouraging employers from inappropriately using zero hours contracts:

“We are concerned that some employers are using zero or variable hour contracts in circumstances that may not be appropriate and they may, therefore, be susceptible to successful Tribunal claims. Where we think problems do arise is when an employer uses zero hour contracts for work that is regular because the employer believes it protects them from claims of unfair dismissal, the need to give notice or, in future, from the obligation to make redundancy payments. The question arises as to whether an employer/employee relationship is created but, in our view, it is probable that a relationship does exist where a mutuality of obligation arises i.e. there is an expectation by the employer that the individual will be available for work and by the individual that work will be offered. In such circumstances we believe that such employees would be entitled to the same employment rights as 'permanent contract' employees. While it is for the Employment Tribunal to determine the facts in any such case, we caution employers to be careful that they use zero or variable hour contracts appropriately.”