

STATES OF JERSEY



REVIEW OF THE IMPACT OF INCREASES TO THE MINIMUM WAGE ON THE RECRUITMENT AND RETENTION OF TRAINEES

Lodged au Greffe on 16th April 2025
by Deputy M.B. Andrews of St Helier North
Earliest date for debate: 13th May 2025

STATES GREFFE

PROPOSITION

THE STATES are asked to decide whether they are of opinion –

to request the Minister for Social Security to refer to the Jersey Employment Forum for review the impact of any increases to the minimum wage from 2024 onwards on the recruitment and retention of trainees, and to present the Forum's report to the Assembly no later than September 2027.

DEPUTY M.B. ANDREWS OF ST. HELIER NORTH

REPORT

Background

Following the States Assembly adopting [P.5/2023](#), the trainee minimum wage rates were integrated into a single minimum wage rate for all employees of school leaving age and above. At the time, trainees received £7.87 (year 1 trainee) and £9.19 (year 2 trainee) per hour which I considered to be too low. As the Jersey Employment Forum showed that there were fewer than [100 trainees](#) in 2016, when statistics were last available (p. 6) it seemed punitive to maintain such rates which were £2.63 and £1.31 below the minimum wage rate of £10.50.

The current predicament

In 2023, the former Social Security Minister produced the report: [Living Wage And Minimum Wage – Investigation Of Statutory And Other Frameworks](#) (18 December 2023) which stated that “It is not feasible or desirable to introduce a statutory living wage rate for Jersey based on a calculation of minimum income standards” (p. 9). However, upon the States Assembly reconstituting, the Council of Ministers introduced a £20 million package to support firms transitioning to the living wage rate. Once the living wage package comes to an end, this could leave businesses in a precarious position. It could mean that trainees may struggle to secure work due to the baseline wage hikes making it unaffordable for firms to recruit trainees.

The proposal

We have moved the baseline wage up considerably during this term of office and I want to ensure there are no unintended consequences. Therefore, I am asking that the States Assembly request the Minister for Social Security direct the Jersey Employment Forum review the impact of changes to the minimum wage rate on the recruitment and retention of trainees.

The [Draft Employment \(Minimum Wage and Benefits in Kind\) \(Jersey\) Amendment Law 202-](#) (P.36/2024) report states that while the Minister is setting specific wage rates to fulfil the Government’s commitment to raising the minimum wage to two-thirds of average median earnings, as set out in the [Common Strategic Policy](#) (p. 8), “it would not be appropriate to direct the Employment Forum to consult on an appropriate minimum wage rate as set out in in the [Employment \(Jersey\) Law 2003](#) (the “Employment Law”)” (p. 3). The Amendment enables the Minister to set minimum wage and offset rates by Ministerial Order without prior consultation until 31 March 2026.

At the time, I opposed this move because I felt that the Jersey Employment Forum should be consulted. However, I do not intend to request consultation with the Jersey Employment Forum about the baseline wage until the prescribed date passes. I will be asking the States Assembly to request the Minister refer the matter of the impact of adopting the living wage on the recruitment and retention of trainees to the Jersey Employment Forum for consideration. If there are unintended consequences, then we need to be aware of what those implications are. Hence, I am asking the Jersey Employment Forum to report back to the States Assembly no later than September 2027.

Financial and staffing implications

The Jersey Employment Forum will be tasked with considering the impact of adopting the living wage in relation to the recruitment and retention of trainees and reporting back to the Minister. Such reporting back to the States Assembly will take place no later than September 2027.

As stated in the [Employment \(Jersey\) Law 2003](#):

Schedule 2

The Employment Forum

2 Financial provisions

The Minister may pay the members of the Forum such remuneration, and such reimbursement in respect of travel or other expenses properly incurred by them, or in respect of loss of remuneration sustained by them, in the performance of their duties, as the Minister may determine.

Therefore, there may be a cost associated with the Forum undertaking this work, however, the extent of this cost will be determined by the Minister.

Children's Rights Impact Assessment

A Children's Rights Impact Assessment (CRIA) has been prepared in relation to this proposition and is available to read on the States Assembly website.