

Jersey Hospitality Association – 18 October 2021

What do you think about the proposals to introduce a Minimum Earnings Threshold (MET)?
*****Excellent idea- it will make payroll administration significantly easier. This is very important as at the moment it is very complicated to administer if people work different hours week on week.**

2. Before receipt of this correspondence, were you aware of the proposed change to introduce a MET? *****Yes**

3. Did you take part in any consultation with the Government on the proposal to introduce a MET (as part of wider changes to the contribution schedules, including frequency of returns)?
*****No**

4. The Minister for Social Security has proposed that the MET will initially be set as the equivalent of 8 hours working at the minimum wage (the 'threshold'). In your opinion, is this the correct threshold? *****If those working less than 8 hours are representative of the population as a whole then the average hourly rate should be used rather than the minimum. According to the June 2021 Index of Average Earnings the mean average weekly earnings was £820 per week and, the more representative, median weekly earnings were £630 per week. Assuming a working week of 40 hours per week this gives hourly rates of £20.50 for mean and £15.75 for the better median rate. On this basis using the (new) minimum wage rate of £9.22 seems low. That said from an implementation point of view using the minimum wage is clear and the amount will be easily understood.**

5. What impact, if any, will the introduction of a MET have on your clients / service users / members / employees / you as an employer?

a. Do you have any data or statistics that you are able to share with us? *****It would affect less than 3% of all of the payroll payments that we made in 2019.**

b. Do you think that the proposed change could impact any particular industries, or demographic of employees? *****Function business**

6. If you (or your clients / service users / members) are, an employer:

a. are you able to advise approximately how many employees would have their primary and secondary contributions paid by the employer (where no contributions were paid by the employer previously) if the proposals are adopted? *****It would affect less than 3% of all of the payroll payments that we made in 2019.**

b. Would the threshold of the MET affect an employer's approach to employing people for more than 8 hours per week? *****No**

c. Would the threshold of the MET affect an employer's approach to paying people more than minimum wage? *****No**

7. Do you think employees would consider the amount and classification of their Social Security contributions as a factor when considering whether to accept / retain a job? *****No**

a. Is the contribution from the employer towards the employee's Social Security contributions seen as a benefit by employees? *****No**

b. Have any impacts to the employment market in the last two years changed the way your employees / clients / service users / members approach second jobs, part time jobs, or jobs where they have worked for less than 8 hours a week (at any wage) *****Not in relation to decisions about working more or less than 8 hours**