

STATES OF JERSEY



DRAFT EMPLOYMENT (MINIMUM WAGE) (AMENDMENT No. 12) (JERSEY) REGULATIONS 201-

**Lodged au Greffe on 20th October 2015
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 May to September 2015, and published its recommendation to the Minister for Social Security (“the Minister”) on 28th September 2015.

The Forum was established in August 1999, and its role and responsibilities were later formalised 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 and competitiveness. In accordance with a decision of the States in April 2010, the Forum must also have regard to the States’ objective that the minimum wage should be equivalent to 45% of average weekly earnings by 2026, subject to consideration of competitiveness, jobs and the economy. The Minister is satisfied that the Forum has met its obligations.

The Minister presented the Forum’s recommendation as a Report to the States on 30th September 2015 ([R.109/2015](#)) and notified the States that she has accepted the rates recommended by the Forum, as shown in Table 1, which would apply from 1st April 2016.

Table 1 – Minimum wage rates for 2015 and recommended rates for 2016

	2015	2016
Minimum Wage (per hour)	£6.78	£6.97
Trainee Rate Year 1 (per hour)	£5.09	£5.23
Trainee Rate Year 2 (per hour)	£5.93	£6.10
Maximum weekly offset against minimum wage for accommodation	£74.21	£76.29
Maximum weekly offset against minimum wage for accommodation and food	£98.94	£101.71
Maximum weekly offset against trainee rates for accommodation	£55.66	£57.22
Maximum weekly offset against trainee rates for accommodation and food	£74.21	£76.28

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, Regulation 9 would be amended so that –

- 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 by 2.8% from 1st April 2016; 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 will also amend the Employment (Minimum Wage) (Jersey) Order 2007 to increase the minimum wage and trainee rates as follows from 1st April 2016 –

1. The hourly minimum wage rate would increase from £6.78 to £6.97.
2. The hourly minimum wage rate for a first-year trainee would increase from £5.09 to £5.23.
3. The hourly minimum wage rate for a second-year trainee would increase from £5.93 to £6.10.

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, from 1st April 2016, the maximum amounts that may be offset against the minimum wage where living accommodation is provided by the employer. Where food is provided, as well as the living accommodation, the maximum offset is increased to £101.71 per week or £14.53 per day, or in respect of a trainee to £76.28 per week or £10.90 per day. Where food is not provided, the maximum offset is increased to £76.29 per week or £10.90 per day, or in respect of a trainee to £57.22 per week or £8.17 per day.



Jersey

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(AMENDMENT No. 12) (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 Minimum Wage Regulations amended

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

- (a) in paragraph (1)(a) for the amount “£74.21” there is substituted the amount “£76.28”, and for the amount “£10.60” there is substituted the amount “£10.90”;
- (b) in paragraph (1)(b) for the amount “£98.94” there is substituted the amount “£101.71”, and for the amount “£14.13” there is substituted the amount “£14.53”;
- (c) in paragraph (2)(a) for the amount “£55.66” there is substituted the amount “£57.22”, and for the amount “£7.95” there is substituted the amount “£8.17”;
- (d) in paragraph (2)(b) for the amount “£74.21” there is substituted the amount “£76.29”, and for the amount “£10.60” there is substituted the amount “£10.90”.

2 Citation and commencement

These Regulations may be cited as the Employment (Minimum Wage) (Amendment No. 12) (Jersey) Regulations 201- and come into force on 1st April 2016.

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- ¹ *chapter 05.255*
² *chapter 05.255.45*