

# STATES OF JERSEY



## **DRAFT EMPLOYMENT (MINIMUM WAGE) (AMENDMENT No. 13) (JERSEY) REGULATIONS 201-**

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**Lodged au Greffe on 17th October 2016  
by the Minister for Social Security**

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**STATES GREFFE**





Jersey

## **DRAFT EMPLOYMENT (MINIMUM WAGE) (AMENDMENT No. 13) (JERSEY) REGULATIONS 201-**

### **REPORT**

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#### **Background**

The independent consultation body, the Employment Forum (“the Forum”), conducted a review of the minimum wage during the period June to September 2016 and issued its recommendation to the Minister for Social Security (“the Minister”) on 23rd September 2016.

The Minister presented the Forum’s recommendation as a Report to the States on 4th October 2016 (*see* [R.102/2016](#)) and notified the States that she had accepted the recommended minimum wage rates to apply from 1st April 2017, as shown in Table 1.

**Table 1 – Minimum wage rates for 2016 and recommended rates for 2017**

	<i>2016</i>	<i>2017</i>
Minimum Wage (per hour)	£6.97	<b>£7.18</b>
Trainee Rate Year 1 (per hour)	£5.23	<b>£5.39</b>
Trainee Rate Year 2 (per hour)	£6.10	<b>£6.28</b>
Maximum weekly offset against minimum wage for accommodation	£76.29	<b>£78.58</b>
Maximum weekly offset against minimum wage for accommodation and food	£101.71	<b>£104.76</b>
Maximum weekly offset against trainee rates for accommodation	£57.22	<b>£58.94</b>
Maximum weekly offset against trainee rates for accommodation and food	£76.28	<b>£78.57</b>

The Forum was established in 1999 and its role and responsibilities are set out 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 of Jersey and competitiveness. In accordance with a decision of the States Assembly 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 Forum reached a unanimous decision to recommend a 3% increase in the minimum wage. This is the biggest percentage increase since 2008 and it exceeds the latest increases in average earnings and the cost of living. The decision reflects the fact that there were positive signs for the economy in the first half of 2016. However, with the uncertainty following Brexit, a relatively cautious approach has been taken, while maintaining the minimum wage rate at a figure that is equivalent to 41% of mean weekly earnings.

### **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, the Draft Employment (Minimum Wage) (Amendment No. 13) (Jersey) Regulations 201- would amend Regulation 9 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 3% from 1st April 2017, 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.

On 13th October 2016, the Minister made the Employment (Minimum Wage) (Amendment No. 10) (Jersey) Order 2016 ([R&O.110/2016](#)), which amends the Employment (Minimum Wage) (Jersey) Order 2007 to increase the minimum wage and trainee rates, in accordance with the Forum’s recommendations, with effect from 1st April 2017.

### **Financial and manpower implications**

There are no financial or manpower implications for the States arising from the adoption of these draft Regulations.

## Explanatory Note

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These draft Regulations would further amend Regulation 9 of the Employment (Minimum Wage) (Jersey) Regulations 2004 to increase, with effect from 1st April 2017, the maximum amounts which may be offset against the minimum wage where living accommodation is provided by the employer. Where food is also provided in addition to accommodation, the maximum offset is to be increased to £104.76 per week or £14.97 per day, or in the case of a trainee to £78.57 per week or £11.22 per day. Where only accommodation is provided, the maximum offset is to be increased to £78.58 per week or £11.23 per day, or in the case of a trainee to £58.94 per week or £8.42 per day.





Jersey

**DRAFT EMPLOYMENT (MINIMUM WAGE)  
(AMENDMENT No. 13) (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 2003<sup>1</sup>, have made the following Regulations –

**1 Regulation 9 of the Minimum Wage Regulations amended**

In Regulation 9 of the Employment (Minimum Wage) (Jersey) Regulations 2004<sup>2</sup> –

- (a) in paragraph (1)(a) –
  - (i) for the amount “£76.28” there shall be substituted the amount “£78.57”, and
  - (ii) for the amount “£10.90” there shall be substituted the amount “£11.22”;
- (b) in paragraph (1)(b) –
  - (i) for the amount “£101.71” there shall be substituted the amount “£104.76”, and
  - (ii) for the amount “£14.53” there shall be substituted the amount “£14.97”;
- (c) in paragraph (2)(a) –
  - (i) for the amount “£57.22” there shall be substituted the amount “£58.94”, and
  - (ii) for the amount “£8.17” there shall be substituted the amount “£8.42”;
- (d) in paragraph (2)(b) –
  - (i) for the amount “£76.29” there shall be substituted the amount “£78.58”, and
  - (ii) for the amount “£10.90” there shall be substituted the amount “£11.23”.

**2 Citation and commencement**

These Regulations may be cited as the Employment (Minimum Wage) (Amendment No. 13) (Jersey) Regulations 201- and shall come into force on 1st April 2017.



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- <sup>1</sup> *chapter 05.255*  
<sup>2</sup> *chapter 05.255.45*