

STATES OF JERSEY



DRAFT EMPLOYMENT (MINIMUM WAGE) (AMENDMENT No. 11) (JERSEY) REGULATIONS 201-

**Lodged au Greffe on 21st October 2014
by the Minister for Social Security**

STATES GREFFE



Jersey

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REPORT

The independent consultation body, the Employment Forum (the 'Forum'), consulted on the minimum wage during the period 16th June to 18th August 2014 and publicised its recommendation to the Minister for Social Security (the 'Minister') on 23rd September 2014.

The Minister presented a Report to the States which included the Forum's recommendation and notified the States of his decision (R.141/2014). The Minister accepted the Forum's recommendation for increases to apply from 1st April 2015, as shown in the table below.

	2014	2015
Minimum Wage (per hour)	£6.63	£6.78
Trainee Rate Year 1 (per hour)	£4.97	£5.09
Trainee Rate Year 2 (per hour)	£5.80	£5.93
Maximum weekly offset against minimum wage for accommodation	£72.54	£74.21
Maximum weekly offset against minimum wage for accommodation and food	£96.72	£98.94
Maximum weekly offset against trainee rates for accommodation	£54.41	£55.66
Maximum weekly offset against trainee rates for accommodation and food	£72.54	£74.21

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 Minister proposes to amend Regulation 9 of the Regulations so that the maximum values are increased proportionately to the proposed increase in the minimum wage and trainee rates from 1st April 2015.

Where an employee is paid the minimum wage, 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 2.3%.

- Where the employer provides food and living accommodation and pays the minimum wage, the maximum offset would be £98.94 per week.
- Where the employer provides living accommodation and pays the minimum wage, the maximum offset would be £74.21 per week.

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.

- Where the employer provides food and living accommodation and pays either of the 2 trainee rates, the maximum offset would be £74.21 per week.
- Where the employer provides living accommodation and pays either of the 2 trainee rates, the maximum offset would be £55.66 per week.

The Minister intends to amend the Employment (Minimum Wage) (Jersey) Order 2007 to increase the minimum wage and trainee rates as follows from 1st April 2015 –

1. The hourly minimum wage rate would increase from £6.63 to £6.78.
2. The hourly minimum wage rate for a first year trainee would increase from £4.97 to £5.09.
3. The hourly minimum wage rate for a second year trainee would increase from £5.80 to £5.93.

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 2015, 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 £98.94 per week or £14.13 per day, or in respect of a trainee to £74.21 per week or £10.60 per day. Where food is not provided, the maximum offset is increased to £74.21 per week or £10.60 per day, or in respect of a trainee to £55.66 per week or £7.95 per day.



Jersey

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(AMENDMENT No. 11) (JERSEY)
REGULATIONS 201-**

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 paragraphs (1)(a) and (2)(b) –
 - (i) for the amount “£72.54” in each place there is substituted the amount “£74.21”, and
 - (ii) for the amount “£10.36” in each place there is substituted the amount “£10.60”;
- (b) in paragraph (1)(b) –
 - (i) for the amount “£96.72” there is substituted the amount “£98.94”, and
 - (ii) for the amount “£13.82” there is substituted the amount “£14.13”;
- (c) in paragraph (2)(a) –
 - (i) for the amount “£54.41” there is substituted the amount “£55.66”, and
 - (ii) for the amount “£7.77” there is substituted the amount “£7.95”.

2 Citation and commencement

These Regulations may be cited as the Employment (Minimum Wage) (Amendment No. 11) (Jersey) Regulations 201- and come into force on 1st April 2015.

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- ¹ *chapter 05.255*
² *chapter 05.255.45*