



States Greffe: Scrutiny

Deputy Judy Martin
Minister for Social Security

By email

18th February 2022

Dear Minister

**Economic and International Affairs Scrutiny Panel
Seasonal Workers and the Rural Economy Review**

I write to you in the context of our review into Seasonal Workers in the Rural Economy.

As part of our review, we intend to look at the calculation of level of offset for provision of accommodation for workers in the agricultural industry. We note from our research that the offset for accommodation has increased in line with the rise to the minimum wage year on year but that this was not the case for last year when, even though there was an increase in the minimum wage of nearly 11% in 2020, the offset for accommodation stayed the same as the previous year remaining at £91.12 per week.

We have written to the Employment Forum and have asked what consultation they had with you regarding the increase of offset for provision of accommodation workers in agriculture last year and what recommendations they made, if any. They have since informed us that you did not ask them to consult on the levels of the minimum wage and offsets for 2022 and, instead, you carried out your own assessment. This was due to the States Assembly agreeing to allow you to use Covid-19 emergency powers to override the provisions of the Employment Law which ordinarily require the Forum to consult.

- Could you inform us of the reason for there being no increase of offset for provision of accommodation for workers in agriculture last year even though there was a minimum wage rise of almost 11%?
- Could you also inform us if you are in consultation with the Employment Forum to raise this offset for 2022 and if not, why not?

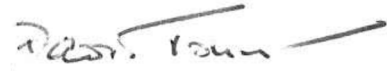
Another part of our review is to look at social security contributions made by seasonal workers in the agricultural industry. As you will be aware, under current rules, seasonal workers in the agricultural industry are permitted to work for 9 months in 12 then have to leave the Island for 3 months before they can return to work on the Island. We are mindful that all new employees to the Island cannot claim social security contributions for the first 6 months of employment: however, we have been made aware during the course of our review that any workers in the agricultural industry who return following the required 3-month break, have to make payments to the social security scheme as completely new employees and work for 6 months before being eligible for social security benefits; in short, any contributions previously made by a 'returning employee' are ignored for this purpose. We have been informed that, to mitigate this, employers have to pay for private health insurance for the first 6 months not only of the initial period of employment but also of subsequent periods as well.

- Do you see any alternative to this procedure so as to allow for previous periods of contribution by seasonal workers to be 'accumulated' and taken into account when determining the level of benefit in any subsequent period of employment?

- Can you confirm if you have been in touch with the agricultural industry to discuss an alternative to the present procedure?

We would be grateful if you could provide a response by Friday 4th March to enable us to continue with our evidence gathering as part of our review. We thank you in advance for your co-operation and if you have any questions regarding this or any of our work, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read "Deputy David Johnson", with a long horizontal stroke extending to the right.

Deputy David Johnson
Chair
Economic and International Affairs Scrutiny Panel