

STATES OF JERSEY



DRAFT EMPLOYMENT (AMENDMENT No. 10) (JERSEY) LAW 201- (P.38/2016): AMENDMENT (P.38/2016 Amd.) – COMMENTS

**Presented to the States on 23rd May 2016
by the Minister for Social Security**

STATES GREFFE

COMMENTS

The Minister for Social Security asks Members to reject this amendment.

In summary, the Minister's proposal under [P.38/2016](#) is –

- to expand the Employment (Jersey) Law 2003 to allow for the possibility of a higher minimum wage for older employees;
- that the details of any proposal to introduce a higher minimum wage for older employees would be brought to the States for approval before being introduced;
- to proactively seek approval for the Law change now so that, if such a rate is approved by the States, it can be introduced without unnecessary delay;
- that a 'youth rate' lower than the current minimum wage will **not** be proposed.

On 20th January this year, the States agreed to investigate a significant rise in the minimum wage, following the introduction of the UK "national living wage", which sets a minimum rate of £7.20 per hour for those over the age of 25 (*see* [P.150/2015](#)). The Minister has provisionally directed the Employment Forum to consult this year on the implications of introducing a higher minimum wage rate for older employees, and preparations have already been made.

However, the States Assembly has previously decided that the Employment Law should be amended to remove a provision that would have allowed different minimum wage rates to be set for employees of different ages. For that reason, the Forum recommended last year that: *"If the Minister intends to direct the Forum to consult on the possibility of introducing a higher minimum wage similar to the UK's 'premium' wage rate for over 25's, it will be important to consider first whether there is a political inclination to amend the Employment Law to permit different minimum wages to be prescribed for employees of different ages."*¹ It is, therefore, appropriate for the Minister to seek a decision of the States before the Forum consults.

If Deputy S.Y. Mézec of St. Helier's amendment (*see* [P.38/2016 Amd.](#)) is rejected by the States, and the Minister's law change is agreed then, if the Forum recommends a new premium minimum wage rate for older employees from 1st April 2017, the Minister will present that new rate to the States Assembly for debate later this year. This will enable a fully informed debate, based on research and evidence, before introducing a new rate for older employees. It is not necessary to have that debate prior to approving this enabling power.

The practical reasons for bringing this law change now, relate to the timescale for Privy Council assent and the preparation of subordinate legislation. If the Minister waited to make the primary law change until after the Forum's recommendation, it would not be possible to bring a higher rate for older employees into force on 1st April 2017.

If, following consultation, the Forum does not recommend a premium minimum wage for older employees from 1st April 2017, then the Minister will not propose such a rate, and the enabling power will simply not be used.

To clarify, the Minister has confirmed to the Forum that she is not seeking consultation on a youth rate that is lower than the current minimum wage, and she does not intend to revisit the previous decision of the States on a youth rate.

¹ *see* [R.109/2015](#), page 34.