

# STATES OF JERSEY



## **DRAFT EMPLOYMENT (MINIMUM WAGE) (AMENDMENT No. 10) (JERSEY) REGULATIONS 201-**

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**Lodged au Greffe on 22nd October 2013  
by the Minister for Social Security**

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**STATES GREFFE**





Jersey

## **DRAFT EMPLOYMENT (MINIMUM WAGE) (AMENDMENT No. 10) (JERSEY) REGULATIONS 201-**

### **REPORT**

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The independent consultation body, the Employment Forum (the “Forum”), consulted on the minimum wage during the period 14th June to 9th August 2013; and publicised its recommendation to the Minister for Social Security (the “Minister”) on 23rd September 2013.

The Minister accepted the Forum’s recommendation for increases to apply from 1st April 2014, as shown in Table 1. The Minister presented a Report to the States on 24th September 2013 which included the Forum’s recommendation and notified the States of his decision (R.116/2013).

	<b>2013 £</b>	<b>2014 £</b>
Minimum Wage (per hour)	6.53	<b>6.63</b>
Trainee Rate Year 1 (per hour)	4.90	<b>4.97</b>
Trainee Rate Year 2 (per hour)	5.71	<b>5.80</b>
Maximum weekly offset against minimum wage for accommodation	71.47	<b>72.54</b>
Maximum weekly offset against minimum wage for accommodation & food	95.29	<b>96.72</b>
Maximum weekly offset against trainee rates for accommodation	53.60	<b>54.41</b>
Maximum weekly offset against trainee rates for accommodation & food	71.47	<b>72.54</b>

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 2014.

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 1.5%.

- Where the employer provides food and living accommodation and pays the minimum wage, the maximum offset would increase to £96.72 per week.
- Where the employer provides living accommodation and pays the minimum wage, the maximum offset would increase to £72.54 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 increase to £72.54 per week.
- Where the employer provides living accommodation and pays either of the 2 trainee rates, the maximum offset would increase to £54.41 per week.

The Minister intends to make an Order that will amend the Employment (Minimum Wage) (Jersey) Order 2007 to increase the minimum wage and trainee rates as follows from 1st April 2014;

1. The minimum wage would increase from £6.53 to £6.63 per hour.
2. The hourly minimum wage rate for a trainee (except as described in point 3) would increase from £4.90 to £4.97.
3. The hourly minimum wage rate for a trainee who has completed 12 months' approved training in a job would increase from £5.71 to £5.80.

### **Financial and manpower implications**

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

## Explanatory Note

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These Regulations would uprate, with effect from 1st April 2014, the maximum amounts which may be taken into account in the calculation of minimum wage or trainee rate pay where benefits are provided by an employer to an employee by way of living accommodation, or living accommodation with food, for the purposes of the Employment (Minimum Wage) (Jersey) Regulations 2004.

*Regulation 1* would substitute the amounts specified in Regulation 9 of those Regulations. Where the employer provides food and living accommodation, the maximum offset is raised to £96.72 per week or £13.82 per day, or in respect of a trainee to £72.54 per week or £10.36 per day. Where the employer provides only living accommodation, the maximum is raised to £72.54 per week or £10.36 per day, or in respect of a trainee to £54.41 per week or £7.77 per day.

*Regulation 2* would provide for the citation of these Regulations, and for their commencement.





Jersey

## **DRAFT EMPLOYMENT (MINIMUM WAGE) (AMENDMENT No. 10) (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 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 paragraphs (1)(a) and (2)(b) –
  - (i) for the amount “£71.47” in each place there shall be substituted the amount “£72.54”, and
  - (ii) for the amount “£10.21” in each place there shall be substituted the amount “£10.36”;
- (b) in paragraph (1)(b) –
  - (i) for the amount “£95.29” there shall be substituted the amount “£96.72”, and
  - (ii) for the amount “£13.61” there shall be substituted the amount “£13.82”;
- (c) in paragraph (2)(a) –
  - (i) for the amount “£53.60” there shall be substituted the amount “£54.41”, and
  - (ii) for the amount “£7.66” there shall be substituted the amount “£7.77”.

### **2 Citation and commencement**

These Regulations may be cited as the Employment (Minimum Wage) (Amendment No. 10) (Jersey) Regulations 201- and shall come into force on 1st April 2014.

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