

STATES OF JERSEY



Jersey

DRAFT EMPLOYMENT (MINIMUM WAGE AND BENEFITS IN KIND) (JERSEY) AMENDMENT LAW 202-

**Lodged au Greffe on 31st May 2024
by the Minister for Social Security
Earliest date for debate: 16th July 2024**

STATES GREFFE



Jersey

DRAFT EMPLOYMENT (MINIMUM WAGE AND BENEFITS IN KIND) (JERSEY) AMENDMENT LAW 202-

European Convention on Human Rights

In accordance with the provisions of Article 16 of the Human Rights (Jersey) Law 2000, the Minister for Social Security has made the following statement –

In the view of the Minister for Social Security, the provisions of the Draft Employment (Minimum Wage and Benefits in Kind) (Jersey) Amendment Law 202- are compatible with the Convention Rights.

Signed: **Deputy L.V. Feltham of St. Helier Central**
Minister for Social Security

Dated: 23rd May 2024

REPORT

Executive Summary

In its recently published Common Strategic Policy document, the Government committed to raising the minimum wage to two-thirds of average median earnings by the end of its term in office in 2026. This commitment builds on and strengthens the existing agreement of the States Assembly, as set out in Proposition [P.98/2021](#) [Minimum Wage Increase] as amended.

The Minister for Social Security intends to set specific rates over the next two years to fulfil the commitment in the Common Strategic Policy. During this period, it would not be appropriate to direct the Employment Forum to consult on an appropriate minimum wage rate as set out in in the [Employment \(Jersey\) Law 2003](#) (the “Employment Law”). The proposed amendment will enable the Minister to set minimum wage and offset rates by Ministerial Order without prior consultation until 31 March 2026.

The relevant provisions in the Employment Law relating to a direction to the Employment Forum to consult on minimum wage and offset rates will be overridden for the period in question and will be automatically reinstated on 1 April 2026.

The minimum wage/living wage: commitment in the Common Strategic Policy 2024 - 2026

The Government’s Common Strategic Policy 2024 - 2026 contains the following commitment:

“In 2022, 2% of Island workers were being paid at the minimum wage with another 2% close to minimum wage, with those workers concentrated in hospitality and agriculture sectors. In addition, in 2023, 14% of private sector workers were being paid between the minimum wage and a living wage.

We will commit to implementing the States Assembly decision to bring the minimum wage to two-thirds of the median wage by the end of this term of office. We will be providing a range of support to employers and employees, as needed, during this transition.

Achieving this priority will support employees in critical industries like retail, hospitality and agriculture with higher wages. It will also help support a thriving and more productive local economy and help us to attract workers to alleviate labour shortages.”¹

The setting of minimum wage and offset rates – legislative background

Article 18 of the Employment Law includes a requirement for the Minister for Social Security to refer to the Employment Forum for its consideration matters to do with the setting of minimum wage and offset rates. Offsets are the allowances that an employer who pays an employee the minimum wage can deduct from the cost of food and accommodation and are subject to maximum weekly amounts.

Parts of Article 18 currently provide that the Minister cannot make new minimum wage and offset rates unless the matters have been referred to the Forum for its consideration. In the case of both the minimum wage and offset rates, they are set by Ministerial Order and do not require the approval of the States Assembly. The proposed amendment would temporarily override these parts of Article 18 to allow the Minister to set these rates without requiring a referral to the Employment Forum or public consultation. The amendment is time limited and falls away automatically at the end of March 2026. At this point, the normal requirement to seek a recommendation from the Employment Forum as to any future minimum wage rate will be reinstated.

¹ [p.21-2024.pdf \(gov.je\)](#) – page 8: “Affordable Living: Transition to a living wage for Islanders”

Conclusion

The Government has set out its commitment to transition to a living wage for all workers. The proposed amendments to the Employment Law form a crucial element in achieving the commitment set out by the Government in its Common Strategic Policy. The Minister commends this Proposition to the Assembly.

Financial and staffing implications

There are no direct financial or staffing impacts arising from this proposition.

Children's Rights Impact Assessment

A Children's Rights Impact Assessment (CRIA) has been prepared in relation to this proposition and is available to read on the States Assembly website.

Human Rights notes

No human rights notes are annexed because the Law Officers' Department has indicated that the draft Law does not give rise to any human rights issues.

EXPLANATORY NOTE

This Law amends the Employment (Jersey) Law 2003. That Law requires the Minister, before making certain Orders, to refer matters to the Employment Forum. The Forum must then consider the matters and consult organisations, and make recommendations, about the matters.

The amendment means that those requirements do not apply if the Minister is making an Order before 1st April 2026 under –

- Article 16(3) (prescribing the hourly rate of the minimum wage); or
- Article 17A (prescribing the maximum monetary amount to be attributed to an employer’s provision of benefits in kind, such as food and living accommodation).

This Law comes into force 7 days after it is registered.



Jersey

DRAFT EMPLOYMENT (MINIMUM WAGE AND BENEFITS IN KIND) (JERSEY) AMENDMENT LAW 202-

A **LAW** to exclude requirements from applying to the making of an Order, before 1st April 2026, prescribing the hourly rate of the minimum wage or amounts relating to benefits in kind.

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| <i>Adopted by the States</i> | <i>[date to be inserted]</i> |
| <i>Sanctioned by Order of His Majesty in Council</i> | <i>[date to be inserted]</i> |
| <i>Registered by the Royal Court</i> | <i>[date to be inserted]</i> |
| <i>Coming into force</i> | <i>[date to be inserted]</i> |

THE STATES, subject to the sanction of His Most Excellent Majesty in Council, have adopted the following Law –

1 [Employment \(Jersey\) Law 2003](#) amended

This Law amends the [Employment \(Jersey\) Law 2003](#).

2 Article 18B (no referral to Employment Forum for minimum wage or benefits in kind until 1st April 2026) inserted

Before Article 19, there is inserted –

“18B No referral to Employment Forum for minimum wage or benefits in kind until 1st April 2026

- (1) Article 18 does not apply to an Order made under –
 - (a) Article 16(3) (hourly rate of minimum wage); or
 - (b) Article 17A (maximum monetary amount attributed to employer’s provision of benefits in kind).
- (2) This Article expires on 1st April 2026.”.

3 Citation and commencement

This Law may be cited as the Employment (Minimum Wage and Benefits in Kind) (Jersey) Amendment Law 202- and comes into force 7 days after it is registered.