

March 20<sup>th</sup>, 2019

Judy Martin  
Minister for Social Security  
States Assembly

Dear Judy,

We are writing to you to share our concerns as small business owners with regard to the proposed change of law in connection with parental leave.

Many of us are parents and we understand the importance of involvement with children from an early age. We are already supporting this and demonstrating it by complying with the regulations which were brought into law only last year. However, we believe that the proposed amendment is a step too far and is un-sustainable for small businesses.

We are concerned that the proposed amendment would:

- Force some small businesses into liquidation due to the un-reasonable financial burden forced upon them having to pay an absent member of staff a full wage for an extended length of time such as this.
- Cause a drop in productivity due to reduced staffing levels resulting in customer demand not being met, contracts not being fulfilled and the Island's economy suffering as a result.
- Have the un-desirable effect of promoting discrimination against employing young people of child bearing age. We are aware that such discrimination is illegal but unfortunately it would be very difficult for the case to be proven and on balance which 'one man band' carpenter or mechanic is going to take the risk of employing an apprentice who could decide to start a family in the first year? It undoubtedly makes young people much less attractive as employees.

We feel that six weeks on full pay is economically un-viable for some small businesses and a further 46 weeks leave taken over three years at the employee's choosing will cause major disruption and staffing issues. This may well result in a loss of productivity for a business with a very small number of employees with contracts to fulfil.

We have further concerns with regard to the projected cost to the employer contained within the report. It exclusively refers to the cost implication to The States of Jersey, the

Island's largest employer. At no time does the report refer to any research carried out to the cost of small to medium size businesses. This is very concerning.

The report states that it follows the UK model which it claims has been successful. It omits the fact that the UK Government offers funding to the employer to cover parental leave with small businesses able to claim up to 103 percent of their costs. There is no mention of any funding being available to Jersey businesses; they would be left to shoulder the cost themselves. In most other European jurisdictions parental leave is paid for by social security.

Here are some questions that we would like answered:

- If the employer takes on another member of staff to cover the absent employee, are we expected to simply terminate the new member of staff's contract when the absent employee returns?
- Will the employer have any say as to when the leave is to be taken over the three years? For example someone working in a small shop with three employees could take the next three December's off which is probably the retailer's busiest time. Is that fair on the employer?
- If the employee has two children within two years is the employer reasonably expected to give them a total of two years off over the next six years?
- Is the employer still expected to pay the employees social security contributions for the time they are absent, a total of 52 weeks?
- If the employee takes the leave that they are entitled to and then hands their notice in upon their return to work can the employer claim the money back?
- Do you agree that this could encourage the use of zero hour contracts resulting in the individual being entitled to nothing?
- How do you train a temporary worker to cover a specialist role which normally takes years of training and experience in a matter of days or weeks? How do you qualify that temporary worker on specialist equipment which requires specific training and certification?
- The report outlines the cost implication to the Island's largest employer, The States of Jersey. At no time does it make reference to or demonstrate that the affect on small to medium size businesses has been taken into consideration. Is there any evidence that this has happened?

- The report bases itself on a UK model however no mention is made to the fact that the UK Government provides funding. Is this available to Jersey businesses?

We hope that you will consider our concerns when debating this new legislation.

**This letter was sent as a collective response by 52 businesses in Jersey**