

UPDATE

Minimum wage update – Guernsey and Jersey

Update prepared by Carla Benest (Partner, Jersey) and Rachel Guthrie (Counsel, Guernsey)

Both Jersey and Guernsey have recently announced increases to minimum wage. Determining an appropriate minimum wage remains a challenge for both Islands with many often critical that the agreed rates do not go far enough and some that they go too far.

Neither Island has yet recognised the concept of a 'living wage' but with the UK adopting a 'national living wage' (which is, in fact, a premium minimum wage for over-25s only and not a living wage at all!) there has been pressure on both Islands to increase their minimum wages in line with this premium minimum wage. The increases in minimum wage for both Islands in 2017 represent positive increases. The Jersey rise reflects a 3 per cent increase in the minimum wage which is the largest percentage increase since 2008 and exceeds the latest increases in both average earnings and the cost of living.

In Jersey this year, a question has been asked of the Attorney General in relation to whether it would be possible to set different minimum wage levels across the various sectors in the Island. Whilst the Attorney General did not believe that setting different minimum wage levels for different industries or seasonal workers raised a human rights issue, he did suggest that this difference may conflict with the Discrimination (Jersey) Law 2013. The risk being that a difference in treatment may be indirectly discriminatory if the effect of setting different rates of pay was disproportionately prejudicial to people with a particular protected characteristic.

We've set out below the minimum wage rates that are due to come into effect in 2017. Note, however, that in Jersey, Deputy Sam Mezec has lodged a proposition to take steps to increase the agreed minimum wage to £7.20 per hour. That proposition is due to be debated by the States on 29 November 2016. The recommendations of the Minister for Social Security in relation to accommodation and food offsets will also be debated that day. We will keep you updated on the position in Jersey.

Guernsey

(rates effective 1 January 2017)

Adult Rate (18 and over) £7.20 per hour

Young Persons' Rate
(16 and 17 year olds) £6.50 per hour

Maximum
accommodation offset £66 per week

Maximum
accommodation
and food offset £95 per week

Jersey (rates effective 1 April 2017 subject to Deputy Mezec's proposition)

Minimum Wage £7.18 per hour

Trainee Rate Year 1 £5.39 per hour

Trainee Rate Year 2 £6.28 per hour

Contacts



Carla Benest
Partner, Mourant Ozannes
Jersey
+44 1534 676 076
carla.benest@mourant.com



Rachel Guthrie
Counsel
Guernsey
+44 1481 739 395
rachel.guthrie@mourant.com

This update is only intended to give a summary and general overview of the subject matter. It is not intended to be comprehensive and does not constitute, and should not be taken to be, legal advice. If you would like legal advice or further information on any issue raised by this update, please get in touch with one of your usual contacts. © 2018 MOURANT OZANNES ALL RIGHTS RESERVED