

**THE STATES OF DELIBERATION**  
**of the**  
**ISLAND OF GUERNSEY**

**COMMITTEE *for* EMPLOYMENT & SOCIAL SECURITY**

AMENDMENTS TO STATUTORY MINIMUM WAGE ARRANGEMENTS  
TO COME INTO FORCE ON 1<sup>ST</sup> JANUARY 2017

The States are asked to decide:-

Whether, after consideration of "Amendments to statutory minimum wage arrangements to come into force on 1<sup>st</sup> January 2017", dated 5<sup>th</sup> September 2016, they are of the opinion:-

To approve, pursuant to section 31(3) of the Minimum Wage (Guernsey) Law, 2009 ("the Law"), the Minimum Wage (Prescribed Rates and Qualifications) (Guernsey) Regulations, 2016 (as set out in Appendix 2 to this Report), which, pursuant to sections 1(3) and 3(1) of the Law prescribe the hourly minimum wage rates set out below with effect from 1 January 2017:-

- adult minimum wage rate: £7.20 per hour (for workers aged 18 and over), and
- young person's minimum wage rate: £6.50 per hour (for workers aged 16 and 17).

The above Proposition has been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications in accordance with Rule 4(1) of the Rules of Procedure of the States of Deliberation and their Committees.

## COMMITTEE *FOR* EMPLOYMENT & SOCIAL SECURITY

### AMENDMENTS TO STATUTORY MINIMUM WAGE ARRANGEMENTS TO COME INTO FORCE ON 1<sup>ST</sup> JANUARY 2017

The Presiding Officer  
States of Guernsey  
Royal Court House  
St Peter Port

5<sup>th</sup> September, 2016

Dear Sir

#### **1 Executive Summary**

1.1 In accordance with the provisions of the Minimum Wage (Guernsey) Law, 2009 ("the Law"), the Committee *for* Employment & Social Security ("the Committee") is seeking the States' agreement to its proposals to increase the statutory minimum wage rates.

1.2 Section 31(3) of the Law provides that Regulations made by the Committee that set the hourly minimum wage rates shall not have effect unless and until approved by Resolution of the States.

1.3 The Committee recommends the setting of the following minimum wage rates:-

Adult minimum wage rate at **£7.20** per hour (currently £6.85 for workers aged 18 and over)

Young person's minimum wage rate at **£6.50** per hour (currently £6.10 for workers aged 16 and 17)

1.4 Further, the Committee recommends that the States approve 1<sup>st</sup> January 2017 as the date for the introduction of these revised minimum wage rates. Moving forwards, a January implementation date will enable the Committee to align the minimum wage process with its annual Contribution and Benefits Uprating Report.

1.5 The Minimum Wage (Prescribed Rates and Qualifications) (Guernsey) (Amendment) Regulations, 2016 have been drawn up to give effect to the change in rates.

- 1.6 For information, it is the Committee's intention to increase the associated rates (accommodation and food offsets) which were not increased in 2015. These changes do not require the approval of the States.

Accommodation & food offset: **£95** per week (currently £92)

Accommodation only offset: **£66** per week (currently £64)

- 1.7 The Committee considers that, instead of the minimum wage rates being given effect by Regulations made by the Committee, which the States may only approve or annul, it would be preferable for the States to be able to set the rates by Resolution. The Committee has noted that an amendment to the Law would be required in order to give effect to this change. Mindful of the need of the States to prioritise legislative resources, the Committee is not at present submitting a Proposition to amend the Law on this single matter. The Committee intends, however, to propose an appropriate amendment at the earliest opportunity when one or more other amendments to the Law are required.

## **2 Introduction**

- 2.1 Section 5 of the Law requires a public consultation to take place prior to making Regulations setting minimum wage rates. A consultation was undertaken in February 2016 and the results are presented as Appendix 1 to this Report.
- 2.2 Section 31(3) of the Law requires the States, on recommendation from the Committee, to approve the Regulations that set the hourly minimum wage rates, prior to them coming into effect.
- 2.3 The 2007 States' decision to implement a statutory minimum wage established the fundamental principle that it is unacceptable in Guernsey for employees and workers to be paid low wages to the point of exploitation.
- 2.4 In 2010 the States approved an amendment as follows:-

"To direct the Commerce & Employment Department, whilst having regard to the requirements of the Minimum Wage (Guernsey) Law, 2009, to take fully into account when reviewing minimum wage rates that it is a policy objective of the States of Deliberation that the young person's minimum wage rate and the adult minimum wage rate should be equalised as soon as possible."

This view of the States has become a relevant factor to be taken into account by the Committee in arriving at its recommendation (paragraph 3.3 (ii) refers).

- 2.5 Following the introduction of the statutory minimum wage in October 2010, there have been numerous enquiries from employers and employees regarding the minimum wage provisions. To date, four complaints have been determined by the Employment and Discrimination Tribunal.

### 3 Considerations regarding the Minimum Wage & Associated Rates

#### 3.1 Matters to be taken into account by the Committee

The Law requires the Committee to consider and take into account the following matters before making Regulations setting the minimum wage rates:-

- 3.2 a) The current rate of minimum wage in the United Kingdom, the Isle of Man and Jersey

Table 1 – Current Minimum Wage Rates – UK, the Isle of Man and Jersey

	Minimum Wage (Hourly) Rates		
	Young Person's Rate	Adult Rate	Effective Date
Guernsey	£6.10 (16-17)	£6.85 (18 & over)	1 October 2015
UK	£3.79 (16-17)	£6.70 (21 to 24)	1 April 2016
	£5.13 (18-20)	£7.20 per hour (25 & over). <sup>1</sup>	
Isle of Man	£5.40 (16 & 17)	£7.00 (21 and over)	1 January 2016
		£6.65 (18 & over)	
Jersey	Year 1 £5.23 <sup>2</sup> Year 2 £6.10	£6.97 (above compulsory school age, 16)	1 <sup>st</sup> April 2016

In respect of the National Minimum Wage (NMW), in July 2015 the UK Government set a new remit for the Low Pay Commission<sup>3</sup>. Within this new remit the UK Government expressed its wish to see a higher wage for more experienced workers and was therefore introducing a premium over and above the National Minimum Wage rate for workers aged 25 and over. The UK Government estimated “...that the level of the combined NMW and the premium in April 2016 will be 55% of median earnings and has set out an

<sup>1</sup> The National Living Wage Rate is the name the UK Government has given to a new rate of the National Minimum Wage (NMW) for those 25 and over. This is not the same as the Living Wage.

<sup>2</sup> Trainee rate for a maximum period of 2 years for those on Social Security accredited training programmes.

<sup>3</sup> Source: NMW Low Pay Commission Remit 2016, [www.gov.uk](http://www.gov.uk)

*ambition that this should continue to increase to reach 60% of median earnings by 2020, subject to sustained economic growth. The Government's objective is to have a National Living Wage of over £9 by 2020."*

b) The current economic and trading conditions prevailing in Guernsey

The Guernsey Gross Domestic Product 2015 Estimates (issued by States of Guernsey Data and Analysis 25.8.16), measures total GDP for 2015 in Guernsey at an estimated £2,355 million which was 0.4% higher than 2014 in real terms. Finance sector output declined by an estimated 1.0%. Non-finance output is estimated to have increased by 0.7%. Total wages (less pensions) decreased by an estimated 0.3% in real terms.

An overview of the Guernsey economy was set out in the Guernsey Economic Overview bulletin for Quarter 1 2016. In the bulletin, expectations of growth in Guernsey for 2016 remained modest. While unemployment increased slightly over the winter months relating to lack of large scale construction projects, statistics showed a slight increase in earnings in real terms during 2015 for the second consecutive year.<sup>4</sup>

c) The annual rate of inflation in Guernsey

<b>2015</b>	<b>RPI</b>	<b>RPIX</b>
June	1.9%	1.5%
September	0.7%	0.5%
December	1.1%	1%
<b>2016</b>		
March	0.5%	0.5%

d) The rate of unemployment in Guernsey

Unemployment levels have remained fairly static with slight monthly variations. The level of unemployment in Guernsey remains low compared to the UK. Figures released by the Committee for the week ending 30 July 2016 are set out in the table below and show the highest unemployment rate to be those people in the age range 20 to 29.

Number of people available for employment week-ending 28 May 2016
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<sup>4</sup> Guernsey Economic Overview Q1 2016 <https://www.gov.gg/CHttpHandler.ashx?id=101983&p=0>

Age Group	Number of Registered Unemployed	Percentage of total registered unemployed
16 - 19	41	11%
20 - 29	111	29.9%
30 - 39	67	18%
40 - 49	61	16.4%
50 - 59	66	17.7%
60 - 64	26	7%
Total	372	

e) Current rates of pay in Guernsey

Currently the States of Guernsey does not collate job-related pay data and thus there is little precision in any information on the market rates for specific jobs. However, information is available on median earnings per sector in the Guernsey Annual Earnings Bulletin for 2016 (see f below). The median of all employees' earnings was £30,550 in 2015, which, compared with 2014 is 1.3% higher in nominal terms and 0.2% higher in real terms.

f) The increase or decrease in rates of pay in Guernsey over the previous twelve months

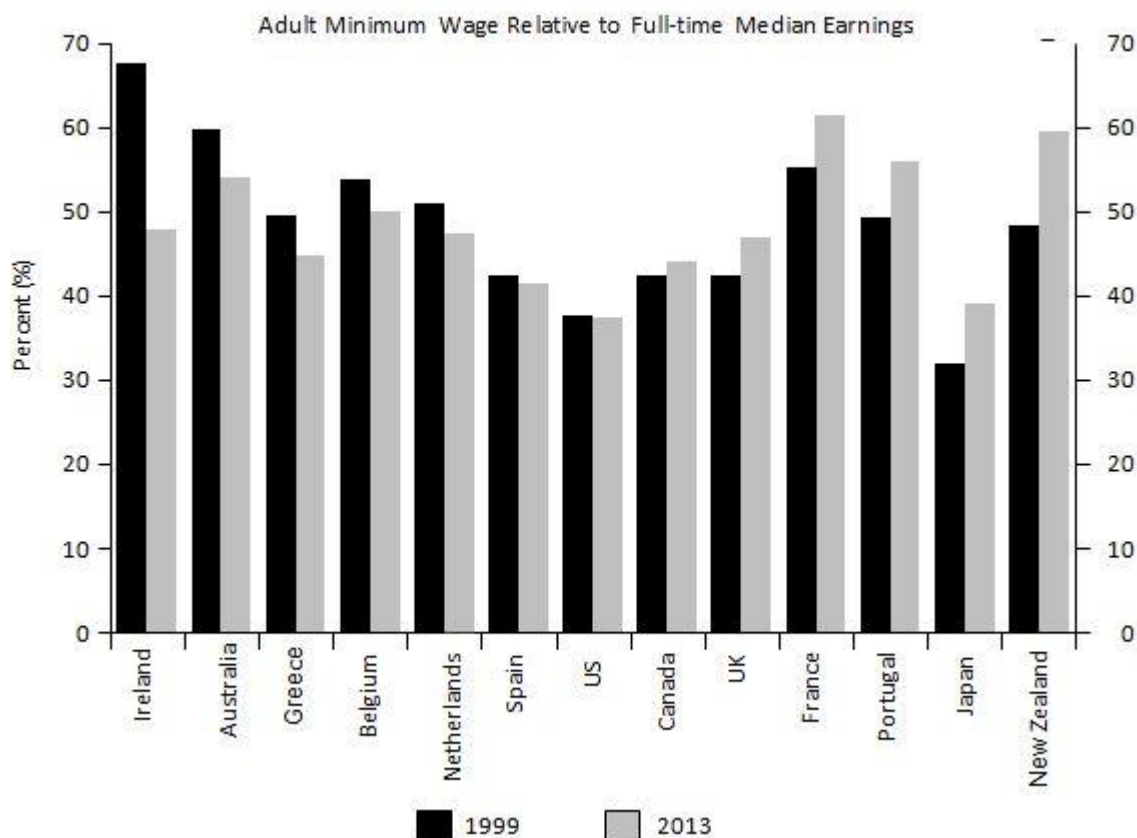
The Guernsey Quarterly Population, Employment and Earnings Bulletin published 4 May 2016 shows median earnings of employees. This Bulletin replaces the Annual Earnings Bulletin and the figures reflect Guernsey (not Alderney). They are based on data collected from the Rolling Electronic Census IT system. Nominal median earnings increased by 1.8% from December 2014 to December 2015.

- The median of all employees' earnings was £30,395 in 2014 compared to £30,953 in December 2015, an increase, in real terms of 0.7%.
- Lower quartile earnings increased by 0.6% in real terms ending December 2015 and in Q4 2015 stood at £21,203.
- Upper quartile earnings increased by 0.1% and in Q4 2015 stood at £45,506.
- Finance sector employees had the highest four quarter average median earnings (£43,080) as at December 2015. This is 39.2% higher than the overall median.

- The Hospitality sector had the lowest four quarter average median earnings (£17,819) at the end of December 2015, 42.4% lower than the overall median.

While considering the level of median earnings by sector it is worth noting that based upon a 40 hour week, the 2016 adult minimum wage rate results in a gross annual wage of £14,248. This equates to around 46% of the median of all employees' earnings in March 2016. This Report is proposing that the adult minimum wage rate be £7.20 in 2017 which for a 40 hour week would result in a gross annual wage of £14,976. This would equate to around 48% of the median of all employees earnings in 2015.

By way of comparison<sup>5</sup>, the table below sets out adult minimum wage rates relative to full time median earnings by country<sup>6</sup>.



<sup>5</sup> Guernsey's median earnings figures are not adjusted for working hours as in other countries (as this information is not collected in Guernsey), so they do not represent earnings over a standardised week therefore only an approximate comparison may be drawn

<sup>6</sup> Source: National Minimum Wage Low Pay Commission Report 2015.

g) Such other factors that appear to the Committee to be relevant

The following were identified as relevant when considering the statutory minimum wage rates:-

- i. Public and political expectations.
- ii. Equalising the minimum wage rates for all ages.
- iii. Creating a level playing field for employers recruiting staff from off-island in competition with the UK, Jersey and the Isle of Man.
- iv. The risk to financially vulnerable businesses.

### 3.3 The Committee's comments on the other relevant factors

#### i. Public and political expectations

The introduction of a statutory minimum wage aimed to ensure that the

*'... worst cases of financial exploitation in employment were eliminated'*. Given that only four complaints have been determined by the Employment and Discrimination Tribunal, the Committee considers that this suggests that the rates are respected by most employers.

#### ii. Equalising the minimum wage rates for all ages

The UK Government introduced the "National Living Wage" of £7.20 per hour for employees over the age of 25 on 1 April 2016 and the Low Pay Commission Report 2016 has recommended that the other adult rate (21-24 years) should rise by 3.7 % to £ 6.95 per hour from 1<sup>st</sup> October 2016.

The Low Pay Commission Report also recommended an increase of 3.4% (i.e. to £4.00) in the 16-17 year old rate, an increase of 4.7% to £5.55 in the youth development rate for those aged 18-20; an increase of 3% to £3.40 an hour in the apprentice rate which applies to all apprentices in Year 1 of an apprenticeship and also to 16-18 year old apprentices in any year of an apprenticeship.

The Committee is keen for the adult and young person's minimum wage rates to be equalised as soon as possible, consistent with the Resolution of the States. For this year, the Committee has determined to increase the young person's rate to £6.50 per hour, reducing the differential from £0.75 per hour to £0.70 per hour between the young person's rate and the adult rate.



- iii. Creating a level playing field for employers recruiting staff from off-island in competition with the UK, Jersey and the Isle of Man

As many sectors in Guernsey rely on seasonal workers, the Committee believes that the minimum wage rates must strike a balance between setting rates that are affordable to responsible employers operating in Guernsey and prevent the exploitation of workers. To date, the approach has been to set rates that bear comparison with the UK, but which recognises the slightly higher cost of living in Guernsey.

The UK Government made a significant increase in the minimum wage rates applicable to workers over the age of 25. The Committee's proposal to increase the adult minimum wage rate to £7.20 per hour means that the rate in Guernsey, for the time being, would be equal to the rate affecting the majority of adult workers in the UK (those over 25) but will be applied to all workers over the age of 18 in Guernsey.<sup>7</sup>

- iv. The risk to financially vulnerable businesses

The Committee gave consideration to the financial vulnerability of businesses that would be required to increase pay rates to at least match the statutory minimum wage. The Committee believes that the contribution those businesses make to the economy, the employment of local labour, and their overall economic contribution to the Island has to be balanced by the reality that the States may be subsidising these businesses because employees on low pay may still need to rely on financial assistance from the Committee in the form of "top-ups" by Supplementary Benefit.

#### **4 Amendment to the Minimum Wage Law to allow the States to set the Rates**

- 4.1 The Committee considers that there would be merit in enabling the States to amend the proposed minimum wage rates through debate of the Committee's annual Minimum Wage Policy Letter.
- 4.2 The original proposals brought to the States in October 2007 (Billet XXII<sup>8</sup>) to implement minimum wage legislation provided that rate changes should be dealt with by way of statutory instrument made by the relevant Department/Committee. The Statutory Instrument does not come into force unless approved by Resolution of the States. This mechanism allows debate of the Statutory Instrument, but does not enable the Instrument to be amended

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<sup>7</sup> The qualifying age for the UK adult minimum wage is 21 years. In Jersey, it is above the school leaving age of 16 compared to 18 years and over in Guernsey. In the UK, the adult rates (there will now be 2 adult rates) apply to those over 21 and to those aged 25 and over.

<sup>8</sup> Billet XXII 2007 <https://www.gov.gg/CHttpHandler.ashx?id=3846&p=0>

following such debate. The States may only approve or annul the Regulations, which in the latter case leaves the minimum wage unchanged pending the making of new Regulations and a return to the States.

- 4.3 The Committee believes that the States should have the ability to amend the rates proposed by the Committee and to set the minimum wage rates by Resolution. The Committee has noted that an amendment to the Law would be required in order to give effect to this change. Mindful of the need of the States to prioritise legislative resources, the Committee is not at present submitting a proposition to amend the Law on this single matter. The Committee intends, however, to propose an appropriate amendment at the earliest opportunity when one or more other amendments to the Law are required.

## **5 Consultation**

- 5.1 Between 1<sup>st</sup> February and 1<sup>st</sup> March 2016, the former Commerce & Employment Department carried out a public consultation on minimum wage rates. Some 250 consultation papers were sent out to targeted groups including, hospitality, care and residential homes, agriculture and horticulture, trade unions and staff associations and groups representative of employers in Guernsey. Individual States members were also circulated with consultation papers and invited to comment.
- 5.2 Members of the public were also invited to contribute as individuals through the Commerce and Employment (Employment Relations) website. Media releases giving full details of the consultation were made available to all the local media.
- 5.3 A summary of the responses to the public consultation is set out in Appendix 1 to this Report.
- 5.4 The Law Officers of the Crown have been consulted on the drafting of the necessary Regulations to give effect to the recommendations in this report.

## **6 Conclusions**

- 6.1 Having considered the criteria and relevant factors as set out in the Law, the Committee has concluded that there is a case to increase the statutory minimum wage rates with effect from 1<sup>st</sup> January 2017.
- 6.2 It is the view of the Committee that the minimum wage rate should be increased to £7.20 per hour in line with the highest minimum wage rate applicable in the UK. This represents a 5.2% increase on the 2016 rate of £6.85 per hour. The Committee believes that this will help support the lower paid and those vulnerable to exploitation and reduce the extent to which the States is

subsidising businesses who may have workers on low pay who also rely on financial support from the Committee in the form of “top-ups” through the Supplementary Benefit Scheme.

6.3 The Committee considers the UK Government’s aspiration to move to the “National Living Wage” rate of £9.00 per hour by 2020 needs to be borne in mind when setting the adult rate for 2017. It believes that if Guernsey does not keep pace with the UK rate this could have serious implications for the Island’s competitiveness and reputation.

6.4 Furthermore, as explained in section 3.2 (f), employees working a 40 hour week at £7.20 per hour would be paid 48% of the median earnings figure for 2015. Given the UK aspiration to raise the minimum wage level to 60% of median earnings by 2020, the Committee believes that its recommended increase in the adult rate is appropriate.

6.5 As stated in section 3.3 (ii), the Committee is keen for the adult and young person’s minimum wage rates to be equalised as soon as possible, consistent with the Resolution of the States. For this year, the Committee has determined to increase the young person’s rate to £6.50 per hour, thereby reducing the differential from £0.75 per hour to £0.70 per hour between the young person’s rate and the adult rate. The adult rate will be paid to all workers over the age of 18 in Guernsey.

6.6 The Committee has decided to alter the offset rates and the following will apply:-

Accommodation and Food     £95 per week

Accommodation only           £66 per week

6.7 Further, the Committee proposes that the States approve 1<sup>st</sup> January 2017 as the date for the introduction of these revised minimum wage rates. Moving forwards, a January implementation date will enable the Committee to align the minimum wage process with its annual Contribution and Benefits Upating Report.

6.8 Increasing the adult minimum wage rate to the proposed level strikes a balance between setting rates that are affordable to responsible employers operating in Guernsey and reduces the risk of exploitation of workers. The Committee believes that its proposals align with its purpose which is *“To foster a compassionate, cohesive and aspirational society in which responsibility is encouraged and individuals and families are supported through schemes of social protection relating to pensions, other contributory and non-contributory*

*benefits, social housing, employment, re-employment and labour market legislation.”*

- 6.9 Finally, the Committee has concluded that the Law should be amended in the future to provide for the minimum wage rates to be set by Resolution of the States, for the reasons set out in this Policy Letter; but being mindful of the need to prioritise legislative resources, the Committee is not recommending that the Law be amended now to effect this single change.

## **7 Recommendation**

The States are asked to decide:-

Whether, after consideration of "Amendments to statutory minimum wage arrangements to come into force on 1<sup>st</sup> January 2017", dated 5<sup>th</sup> September 2016, they are of the opinion:-

To approve, pursuant to section 31(3) of the Minimum Wage (Guernsey) Law, 2009 ("the Law"), the Minimum Wage (Prescribed Rates and Qualifications) (Guernsey) Regulations, 2016 (as set out in Appendix 2 to this Report), which, pursuant to sections 1(3) and 3(1) of the Law prescribe the hourly minimum wage rates set out below with effect from 1 January 2017:-

- adult minimum wage rate: £7.20 per hour (for workers aged 18 and over), and
- young person's minimum wage rate: £6.50 per hour (for workers aged 16 and 17).

## **8 Committee Support for Proposition**

- 8.1 In accordance with Rule 4(4) of the Rules of Procedure of the States of Deliberation and their Committees, it is confirmed that the attached proposition has the unanimous support of the Committee.

Yours faithfully

M K Le Clerc  
President

S L Langlois  
Vice-President

M J Fallaize  
J A B Gollop  
E A Yerby

M J Brown  
Non-States Member  
A R Le Lièvre  
Non-States Member

**Summary of Responses to Consultation****Response Count – 38**

Employee – 19

Trade Union – 0

Employer – 16

Employers' Association – 1 (representative of individual employers)

Other – 2

<b>Question 2: Should the Minimum Wage and Associated Rates be changed with effect from 1 October 2015 or remain the same?</b>			
<b>Answer Options</b>	<b>No Change</b>	<b>Yes Change</b>	<b>Response Count</b>
Minimum Wage Rate Over 18 years (currently £6.65 per hour)	34.38% (11)	65.62% (21)	32
Minimum Wage Rate 16-17 years (currently £5.55 per hour)	43.33% (13)	56.67% (17)	30
Max Accommodation Only Offset (currently £64 per week)	65.38% (17)	34.62% (9)	26
Max Accommodation and Food Offset (currently £92 per week)	65.38% (17)	34.62% (9)	26

**Adult Rate (18 and over)**

Of the 21 who responded, 17 suggested changes in the adult rate quantifiable, varying from £6.95 to £10 per hour. 3 suggested an increase in line with RPI, and one suggested an increase, at the very least in line with the "UK Living Wage" which may or may not be a reference to the new National Minimum Living Wage of £7.20 for those 25 and over but the respondent does not make this clear. Of the 21 suggesting an increase, the following broad trends emerged:-

- 11 respondents suggested increases between £6.95 and £7.20
- 7 respondents suggested increases between £7.85 and £8.50
- 3 respondents suggested increases of between £9 and £10

**Young Person's Rate**

17 suggested changes in the young person's rate which were quantifiable, ranging from a decrease to £5.95 up to £10 per hour. One respondent suggested that there

should only be one rate (i.e. the adult rate). Of those, 15 respondents who suggested an increase which was quantifiable the following broad trends emerged:-

- 8 suggested increases between £6.17 and £6.50 per hour
- 6 suggested increases between £6.70 and £7.50 per hour
- 1 suggested an increase to £10 per hour

#### **Maximum Accommodation Only Offset**

Responses ranged from increases in line with RPI to £100 per week. Only 9 responses were received and it is difficult to draw meaningful statistical information. Responses fell within the following bands:-

- 5 suggested increases in the band ranging from £64.70 to £68 per week
- Increases to £80 and £90 per week were suggested by 2 respondents
- 2 suggested increases to £100 per week

#### **Maximum Accommodation & Food Offset (Increase suggested)**

Responses ranged from increases in line with RPI to £130. Only 9 responses were received. Responses fell into three broad bands:-

- 4 suggested rate increases ranging from £93 to £93.50 per week
- 3 responses fell within the range £96 and £110 per week
- 2 respondents suggested an increase to £120 to £130 per week

**GUERNSEY STATUTORY INSTRUMENT**

**2016 No. 42**

**The Minimum Wage (Prescribed Rates and Qualifications)  
(Guernsey) (Amendment) Regulations, 2016**

<i>Made</i>	<i>2<sup>nd</sup> September, 2016</i>
<i>Coming into operation</i>	<i>1<sup>st</sup> January, 2017</i>
<i>Laid before the States</i>	<i>, 2016</i>

**THE COMMITTEE FOR EMPLOYMENT & SOCIAL SECURITY**, in exercise of the powers conferred on it by sections 1(3), 3(1) and 31 of the Minimum Wage (Guernsey) Law, 2009<sup>9</sup> and all other powers enabling it in that behalf, hereby makes the following Regulations:-

**Substitution of Schedule to principal Regulations.**

**1.** The principal Regulations are amended by substituting, for the Schedule to those regulations, the schedule contained in the Schedule to these Regulations.

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<sup>9</sup> Order in Council No. I of 2010; as amended by Order in Council No. XIII of 2010 and Ordinance No. IX of 2016.



## **Interpretation.**

2. (1) In these Regulations, "**the principal Regulations**" means the Minimum Wage (Prescribed Rates and Qualifications) (Guernsey) Regulations, 2012<sup>10</sup>.

(2) The Interpretation (Guernsey) Law, 1948<sup>11</sup> applies to the interpretation of these Regulations –

(a) in the Islands of Guernsey, Herm and Jethou, and

(b) as it applies to the interpretation of an enactment.

(3) Any reference in these Regulations to an enactment is a reference thereto as from time to time amended, re-enacted (with or without modification), extended or applied.

(4) For the avoidance of doubt, unless the context requires otherwise, an expression used in these Regulations has the same meaning as in the Minimum Wage (Guernsey) Law, 2009.

## **Transitional and savings provisions.**

3. (1) These regulations do not have effect in relation to any worker and his work until the first day of the first pay reference period of the worker in respect of that work.

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<sup>10</sup> G.S.I. No. 40 of 2012; as amended by G.S.I. No. 15 and No. 49 of 2014, and No. 40 of 2015.

<sup>11</sup> Ordres en Conseil Vol. XIII, p. 355.

(2) For the avoidance of doubt, before the first day of the first pay reference period of the worker in respect of that work, the principal Regulations have effect in relation to that worker and that work as if these Regulations had not been made.

(3) In this regulation, "**the first pay reference period**", in relation to a worker and his work, means the first pay reference period of the worker, in respect of that work, beginning on or after the date specified in regulation 4 for these Regulations to come into force.

**Citation and commencement.**

4. These Regulations may be cited as the Minimum Wage (Prescribed Rates and Qualifications) (Guernsey) (Amendment) Regulations, 2016, and come into force on the 1<sup>st</sup> January, 2017.

Dated this 2<sup>nd</sup> day of September, 2016

A handwritten signature in black ink, appearing to read 'Mle' followed by a large, stylized checkmark or flourish.

M. LE CLERC

President of the Committee *for* Employment & Social Security

For and on behalf of the Committee

SCHEDULE

SCHEDULE TO BE SUBSTITUTED FOR THE SCHEDULE TO THE PRINCIPAL  
REGULATIONS

"SCHEDULE  
MINIMUM WAGE RATES

Regulations 1(1) and 2(1)

Adult Minimum Wage Rate	£7.20 per hour.
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Young Person's Minimum Wage Rate	£6.50 per hour."
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EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations replace the minimum wage rates for adults and young persons with the new rates of £7.20 per hour and £6.50 per hour, respectively, for the purposes of the Minimum Wage (Guernsey) Law, 2009 ("the Law").

Under section 31(3) of the Law, these Regulations do not have effect until approved by a resolution of the States. If so approved, these Regulations will come into force on the 1<sup>st</sup> October, 2016. The new rates will then take effect on and from the first day of the first pay reference period of each worker in respect of any particular work.