



Employment Guide: Paying Your Employees

Note: This publication is intended to provide general guidance only. It does not constitute legal advice and should not be relied upon as doing so.

Overview

What are the legal requirements?

In Guernsey, employers must:

- Not pay employees less than the Guernsey minimum wage, see Employment Guide: [Minimum Wage - Guernsey](#)
- Pay employees in accordance with the terms of their contract of employment.
- Not make deductions from wages without prior agreement unless authorised by the employee's contract, unless these are statutory deductions (e.g. Social Insurance contributions, Income Tax deductions).
- Give employees pay statements / wage slips which show:
 - the gross amount of pay
 - the amount and reason for any deductions
 - the total amount of all deductions
 - the net pay
 - the date when the net pay is to be paid
- The statement of pay must be written and legible (preferably typed). However, statements of pay do not necessarily need to be given in paper form and may be sent by email.¹ Best practice would suggest that the employee's acceptance of receiving payslips electronically should be obtained before this system is implemented. Consideration would also need to be given to storage and distribution of payslips to ensure confidentiality.
- Give pay statements to the employee on or before the day on which their pay is payable.
- Ensure that what they pay is in accordance with an employee's contract e.g. contractual sick pay, contractual maternity pay, contractual holiday pay, bonuses, commission, profit share etc.
- Ensure that they do not unlawfully discriminate on grounds of sex, marriage or gender reassignment (i.e. a sex change) in their pay and benefits package. This

¹ The Interpretation (Guernsey) Law, 1948
The Electronic Transactions (Guernsey) Law, 2000, as amended

could lead to discrimination complaints under the Sex Discrimination (Employment) (Guernsey) Ordinance, 2005. This means, for example, that men and women who do the same, or broadly similar work, should be paid the same, unless the difference in pay can be justified irrespective of sex e.g. a person may be paid more in recognition of a relevant qualification.

Why are pay arrangements important?

Inadequate, discriminatory or inappropriate pay arrangements or changes in pay without the agreement of employees can lead to problems including:

- claims for breach of contract
- low staff morale / motivation
- poor employee relations
- disputes (costly in terms of staff time)
- reputation as a 'bad' employer
- claims of sex discrimination

Sometimes employers are unsure what to pay staff, where employees leave without working their contractual notice period. Employers should avoid withholding pay in this situation as the employer would be in breach of contract. Employees should be paid for all the work they have done for their employer.

The employer can then choose to bring a civil claim for breach of contract. The civil court is able to award any damages due to the employer caused by the employee's breach, but the employer would have to demonstrate the exact amount of any damages suffered.

Getting it right

Involve managers, supervisors, employees and their representatives in any changes in pay and seek to gain their agreement, see Employment Guide: [Varying Terms and Conditions of Employment](#)

Identify the objectives of your payment system, for example to:

- ensure pay rates are competitive
- increase productivity or sales
- control labour costs
- encourage teamwork
- reduce potential sex discrimination complaints

Make sure that payment systems are as simple as possible to operate and explain to employees how their pay is calculated, providing training to those who will operate the system.

Maintain and review the system, including regular checks that pay rates are competitive and that employees are not being discriminated against on the grounds of sex.

Ensure that men and women are paid equally for the work that they do. Under the Sex Discrimination Ordinance, employees can claim sex discrimination if there is a difference in pay which they believe is attributable to their gender.

Ensure pay and benefits apply to part-timers (on a pro-rata basis) in the same way as they apply to full-timers, otherwise part-timers (who are usually mostly women) may be able to claim indirect sex discrimination.

Other Publications

Publications can be downloaded from the website on a wide range of employment relations matters including local employment legislation and best practice guidance on other employment related matters.

Contact Information

For further advice

- Check www.gov.gg/employmentrelations
- Email employmentrelations@gov.gg
- Contact the **Employment Relations Service**, Edward T Wheadon House, Le Truchot, St Peter Port, GY1 3WH
- Telephone number: **01481 220026**