

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 1ST JANUARY 2022

The States are asked to decide:-

Whether, after consideration of the Policy Letter entitled 'Amendments to Statutory Minimum Wage Arrangements to Come into Force on 1st January 2022', dated 13th September 2021, they are of the opinion:-

1. To approve the Minimum Wage (Prescribed Rates and Qualifications) (Guernsey) (Amendment) Regulations, 2021 (as set out in the Appendix to this Policy Letter), which pursuant to sections 1(3) and 3(1) of the Minimum Wage (Guernsey) Law, 2009, prescribe the hourly minimum wage rates set out below with effect from 1st January 2022:
 - a. adult minimum wage rate: £9.05 per hour (for workers aged 18 and over), and
 - b. young person's minimum wage rate: £8.60 per hour (for workers aged 16 and 17).

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

13th September 2021

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 States’ agreement to its proposals to increase the statutory minimum wage and young person’s 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 a resolution of the States.
- 1.3. In November 2018, the States noted the Committee’s medium-term plan for minimum wage rates to be increased in equal annual increments over the course of five years, until the minimum wage rate reached the target of 60% of the median earnings of employees in Guernsey, based on a 40 hour working week, by 2023.
- 1.4. Having consulted with representative groups of employers and employees, in the ongoing context of the COVID-19 pandemic and the consequences for the local economy, the Committee recommends a pause in the implementation of the medium-term plan for the second year running. The Committee instead proposes increasing the minimum wage and associated rates for 2022 by 4.0%. This is half-way between the latest available RPIX figure of 2.3% (Q2 2021) and the 5.7% increase that would be required if the medium-term plan were to resume in 2022.

- 1.5. The proposed 4% increase, which is slightly higher than the increase in the median earnings of employees during the year ending March 2021 (3.2%), consolidates the progress made towards the target of 60% of median earnings and ensures that the gap between the level of the minimum wage and the target will not widen.
- 1.6. On this basis, the Committee recommends the setting of the following minimum wage rates, to take effect from 1 January 2022:
- Adult minimum wage rate at £9.05 per hour (currently £8.70 per hour) for workers aged 18 and over.
 - Young person's minimum wage rate at £8.60 per hour (currently £8.25 per hour) for workers aged 16 and 17.
- 1.7. The Minimum Wage (Prescribed Rates and Qualifications) (Guernsey) (Amendment) Regulations, 2021, appended to this Policy Letter, have been drafted to give effect to the change in rates.
- 1.8. The Committee also intends to increase the associated accommodation and food offsets, with effect from 1 January 2022. These offsets set the maximum amount an employer is permitted to deduct from an employee's wage in compensation for providing accommodation and meals. These changes, which do not require States approval, are set out below for members' information:
- Accommodation and food offset: £122.00 per week (currently £117.00 per week).
 - Accommodation only offset: £87.00 per week (currently £84.00 per week).
- 1.9. The Committee is of the view that the underlying strategy should remain the same and the medium-term plan will resume when the rates are set for 2023. The target date for the minimum wage to equal 60% of median earnings will be extended accordingly to 2025.

2. Policy background

- 2.1. On 1 November 2007, following consideration a Policy Letter from the Commerce and Employment Department entitled 'Report on the Introduction of Minimum Wage Legislation in Guernsey'¹, the States approved proposals for minimum wage legislation. In so doing, the States supported the fundamental principle that it is unacceptable for employees and workers to be paid low wages to the point of exploitation.

¹ Report on the Introduction of Minimum Wage Legislation in Guernsey ([Billet d'État XXII of 2007, Article 9](#)).

2.2. The minimum wage rates are not intended to reflect a ‘living wage’, particularly as different households have different family compositions and different financial needs. There are several initiatives operated by the Committee, such as a wide range of benefits, grants and social housing, which are intended to help to meet the basic needs of people on low incomes.

2.3. On 28 May 2010, following consideration of a Policy Letter from the Commerce and Employment Department entitled ‘Statutory Minimum Wage – Rates and Commencement’², the States approved an Amendment laid by Deputy Fallaize which stated:

“5. To direct the Commerce and 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 Persons’ Minimum Wage Rate and the Adult Minimum Wage Rate should be equalised as soon as possible.”

2.4. On 30 November 2017, following consideration of a Policy Letter from the Committee *for* Employment & Social Security entitled ‘Amendments to Statutory Minimum Wage Arrangements to Come into Force on 1 January 2018’³, the States approved an Amendment laid by Deputy Roffey (‘the 2017 Amendment’) which stated:

“2. To direct the Committee *for* Employment & Social Security, when they bring proposals to the States for the adult and young persons’ minimum wage levels for 2019 to provide clarity on their medium-term plan for increasing minimum wage levels”.

2.5. The Committee was mindful of both of these Resolutions when determining the minimum wage rates for 2022.

3. The medium-term plan for increasing minimum wage rates

3.1. The stated purpose of the 2017 Amendment was to provide greater certainty for both employers and employees and to allow them to plan over the medium-term. For the purpose of implementing the Resolution, the Committee deemed the medium-term to be the next five years.

3.2. In preparing its proposals in respect of minimum wage rates for 2019, the Committee considered a variety of options for minimum wage levels over the

² Statutory Minimum Wage – Rates and Commencement ([Billet d’État XI of 2010, Article 11](#)).

³ Amendments to Statutory Minimum Wage Arrangements to Come into Force on 1 January 2018 ([Billet d’État XXIII of 2017, Article 9](#)).

medium-term and invited the community to offer their views on the matter during consultations. Among the options that were examined, the Committee considered whether minimum wage rates should be linked to median earnings, or whether it would be more appropriate for the minimum wage rate to increase in line with inflation (RPIX).

- 3.3. On 28 November 2018, following consideration of a Policy Letter from the Committee *for* Employment & Social Security entitled 'Amendments to Statutory Minimum Wage Arrangements to Come into Force on 1st January 2019'⁴, the States noted the Committee's policy intent that the minimum wage rates should be linked to median earnings, so that a person working a full-time (40 hour) working week should earn at least 60% of the median earnings of employees. This would ensure that the gap between the Island's lowest paid workers and the workforce average could never grow too wide.
- 3.4. As the gap between the 2018 minimum wage (£7.75 per hour) and 60% of the then median earnings figure (£9.33 per hour when converted to an hourly rate) was large, it was considered necessary to gradually increase the minimum wage rate in equal increments over a five-year period, starting in 2019, in order to reach the target by 2023.
- 3.5. The medium-term plan was followed in 2019 and 2020, with the minimum wage increasing by £0.35 (4.50%) to £8.10 per hour in 2019 and by £0.40 (4.95%) to £8.50 per hour in 2020. In 2020, a decision was taken to pause the implementation of the medium-term plan in 2021 due to the negative impact of the pandemic on the island's economy. Instead, the minimum wage was increased by Guernsey's annual rate of inflation as at the end of June 2020, as measured by changes in the RPIX (2.4%), to £8.70 per hour. The date for reaching the target of 60% of median earnings of employees was put back by one year to 2024.
- 3.6. The median earnings of employees as at quarter 1 2021 was £35,497 per annum. Taking 60% of this figure and dividing it by 52 weeks and then by 40 hours, produces an hourly rate of £10.24. This figure is 60% of the median earnings of employees when converted to an hourly rate and is the current target of the medium-term plan.

⁴ Amendments to Statutory Minimum Wage Arrangements to Come into Force on 1st January 2019 ([Billet d'État XXV of 2018, Article 13](#)).

4. Factors to be taken into account

4.1. The Law requires the Committee to consider and take into account a number of factors before making Regulations setting the minimum wage rates. These are set out below:

- the current rate of the minimum wage in the United Kingdom, the Isle of Man and Jersey,
- the current economic and trading conditions prevailing in Guernsey,
- the rate of inflation in Guernsey,
- the rate of unemployment in Guernsey,
- current rates of pay in Guernsey,
- the increase or decrease in rates of pay in Guernsey over the previous twelve months,
- and such other factors as appear to be relevant.

Current rate of the minimum wage in the United Kingdom, the Isle of Man and Jersey

4.2. The current minimum wage rates for the UK, the Isle of Man and Jersey are set out below in table 1:

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

Minimum Wage Rates (Hourly)			
	Young Person	Adult	Effective from
Guernsey	£8.25 (aged 16-17)	£8.70 (aged 18 and over)	1 Jan 2021
United Kingdom	£4.62 (aged 16-17) £6.56 (aged 18-20)	£8.36 (aged 21-22) £8.91 (23+ known as the 'Living Wage')	1 Apr 2021
Isle of Man	£6.15 (aged over 16 but under 18)	£8.25 (aged 18 and over, except development workers) £7.30 (development worker)	1 Oct 2019
Jersey	Trainee rate year 1: £6.24 Trainee rate year 2: £7.28 ⁵	£8.32 (aged 16 and over)	1 Apr 2020

4.3. The Government's target is for the NLW to be set at two-thirds of median earnings by 2024. This is 6.7% higher than the target of Guernsey's medium-term plan.

⁵ The young person's rates in Jersey are referred to as the Trainee Rates. Those who are on a Social Security training programme can receive those rates for a maximum period of two years.

- 4.4. In Jersey, the current minimum wage rate of £8.32 per hour was implemented on 1 April 2020. Since then, the COVID-19 pandemic has prevented the Employment Forum from consulting on minimum wage rates and providing a report and recommendations to the Social Security Minister, as required by the Employment (Jersey) Law, 2003⁶.
- 4.5. Earlier this year, the Minister for Social Security conducted a public consultation on various minimum wage issues including the timing and level of the next minimum wage increase. The Minister has submitted a proposition seeking the approval of the States Assembly to use the provisions of the Covid-19 (Enabling Provisions) (Jersey) Law 2020⁷ to make Regulations to provide for a one-off power to set rates for the level of the minimum wage and offsets without requiring the Employment Forum to consult. The accompanying report says that the combination of COVID-19 restrictions and changes following Brexit has led to reports of a shortage of workers across low-paid sectors and a substantial rise in wages being offered in some sectors. If the COVID-19 (Employment – Minimum Wage) (Jersey) Regulations are approved by the Assembly, the Minister intends to set the minimum wage rate at £9.22 per hour from 1 January 2022, achieving the target of 45% of mean average earnings agreed by the States Assembly on 6 March 2018. The earliest date for debate of this proposition is 2 November 2021.
- 4.6. In the Isle of Man, the current minimum wage rate of £8.25 was implemented on 1 October 2019. This is currently under review.

Economic and trading conditions

- 4.7. Economic trading conditions in Guernsey are stronger than may have been expected given the disruption caused by COVID-19. The latest published data, for March 2021, show that 12 of the 19 economic sectors have recovered employment levels to the same level or more than experienced in March 2019.
- 4.8. Of the seven sectors which have contracted, the largest is the finance sector and this relates primarily to restructuring decisions made in late 2019, unrelated to COVID-19. This sector pays well above minimum wage and will be little impacted by these discussions.
- 4.9. Of more relevance is the contraction in those sectors which represent the largest employment of unskilled labour, including Wholesale retail and repairs; Hospitality; Transport and storage; and Administrative and support service activities (a sector which includes services like cleaning and facilities management).

⁶ [Employment \(Jersey\) Law, 2003](#).

⁷ [Covid-19 \(Enabling Provisions\) \(Jersey\) Law, 2020](#).

- 4.10. There are likely a number of contributing factors at play for these sectors. In March 2021 there were still tight controls in place for travel into Guernsey and this has caused significant disruption for Hospitality and Transport and storage in particular. While this has been partially offset by strong domestic demand, the net effect has been negative. With the gradual release of travel restrictions this can be expected to ease but until restrictions are lifted entirely and travel returns to normal it will likely continue. A full recovery of these sectors is not anticipated until the beginning of the 2022 tourist season at the earliest.
- 4.11. Domestic unemployment has fallen close to its pre-COVID-19 level (1.36% of the working population as at 31 July 2021) which means the pool of local labour available is small. The combination of COVID-19 and the implementation of new UK visa requirements for EU nationals working in the UK Common Travel Area (including Guernsey) following BREXIT has also made recruitment from outside of Guernsey more difficult. As a result, many businesses are struggling to recruit sufficient staff to run their operations at full capacity, even allowing for the restricted tourist season. This is likely to mean an upward pressure on wages in sectors most dependent on imported labour, which are also those who most commonly pay at the minimum wage.
- 4.12. Those sectors most likely to be impacted by an increase in minimum wage may be more vulnerable to increases in costs than they might be under normal circumstances. However, the upward pressure on wages because of recruitment issues may exceed the impact of any modest increase in the minimum wage.

Rate of inflation

- 4.13. At the end of June 2021, Guernsey's annual inflation, as measured by the changes in the RPIX, was 2.3%⁸. The RPIX, which excludes the mortgage interest item, is the States' preferred measure of inflation. Given current issues with the global supply chain, it is anticipated that inflation measures will be pushed upwards through the second half of 2021.

Rate of unemployment

- 4.14. There were 417 people wholly unemployed at the end of July 2021. This compares with the abnormally high number of 856 at the same time last year.

⁸ [Guernsey Quarterly Inflation Bulletin – Quarter 2 2021](#)

Rates of pay

- 4.15. Nominal median earnings increased by 3.2% between the year ending March 2020 and the year ending March 2021, from £34,409 to £35,497⁹. It should be noted that the loss of lower value employment in the Hostelry sector, in particular, is likely to have resulted in an upward pressure on median earnings. It is therefore not yet clear to what extent this increase reflects a genuine increase in wages.

Such other factors that appear to the Committee to be relevant

- 4.16. The following additional factors were identified as relevant when considering the statutory minimum wage rates:

- public and political expectations,
- ensuring Guernsey remains competitive with the UK, Jersey and the Isle of Man,
- the impact on businesses,
- the In-Work Poverty review by the Scrutiny Management Committee,
- the impact of Brexit,
- the impact of COVID-19.

5. Duty to consult

- 5.1. Section 5 of the Law requires the Committee to:

“...consult such organizations, or associations of organizations, representative of employers and employees in Guernsey, and such other organizations and bodies, as appear to the Committee to be appropriate.”

- 5.2. In 2018, the Committee carried out a large-scale public consultation on minimum wage rates. However, as the Committee is now ordinarily working to a five-year plan approved by the States, the Committee decided, for the third year running, to undertake a targeted consultation.
- 5.3. In late May 2021, the Committee wrote to the main employer/industry representative groups (which included, but was not limited to, groups representing the retail, hospitality, building, care and finance sectors), unions and relevant civil society groups, inviting feedback on the Committee’s proposal, which at that stage, was to increase minimum wage rates in 2022 by 3% to £9.00 per hour for adults and £8.50 for 16 and 17 year olds. This figure was modestly above the latest available (at that time) RPIX figure of 1.7% (Q1 2021).

⁹ [Guernsey Quarterly Population, Employment and Earnings Bulletin - issued 29th July 2021.](#)

- 5.4. From the 21 letters sent, the Committee received seven responses - four from employer/industry representative organisations, two from civil society groups and one from the States of Guernsey as an employer. There was general support from respondents for a 3% increase in the minimum wage and associated rates in 2022, accepting that those on lower incomes, in particular, should be supported through the current challenging economic times. On that basis, the general consensus was that the proposed 3% increase was fair and proportionate in the circumstances.
- 5.5. The publication in July 2021 of the RPIX figure for the year ending 30 June 2021 and the median earnings figure for the year ending 31 March 2021, caused the Committee to reconsider whether a 3% rise in the minimum wage for 2022 was adequate. RPIX increased from 1.7% in March 2021 to 2.3% in June 2021 and nominal median earnings increased by 3.2% between the year ending March 2020 and the year ending March 2021, compared to 2.5% between the year ending December 2019 and the year ending December 2020. The Committee was concerned that if the minimum wage were uplifted by less than the increase in median earnings, the gap between the level of the minimum wage and the target of 60% of median earnings would increase, thereby increasing the level of uplifts required in 2023, 2024 and 2025 to reach the target. Consequently, the Committee decided to consult in August 2021 with the same group of consultees regarding a proposal to increase the minimum wage in 2022 by 4% to £9.05 per hour for adults and £8.60 per hour for young people.
- 5.6. The Committee received responses to this second consultation from seven organisations – the Committee for Economic Development (which had not received the first consultation letter due to an administrative error), the Policy & Resources Committee (in its role as employer), three employer/industry representative organisations, one civil society group and one union.
- 5.7. The feedback received was mixed. The responses received from a union and a civil society group supported the proposal to increase the minimum wage and associated rates by 4%. The civil society group pointed out that a single person with no dependents who worked full-time for the minimum wage would require financial assistance from income support, even if they lived in social housing where rents are lower than the private sector. One of the industry/employer representative organisations was of the view that a 4% impact would have little impact on their industry given current upward pressures on wages in that sector. While two industry/employer representative organisations were broadly content with the original proposal to increase the minimum wage and associated rates by 3%, neither organisation supported the revised proposal to increase rates by 4%. The Policy & Resources Committee advised that the States of Guernsey continues to pay all grades above the proposed minimum wage.

- 5.8. The Committee for Economic Development commented as follows in respect of the proposed 4% increase:

“The Committee *for* Economic Development also notes that no data or information has been provided by the Committee *for* Employment and Social Security on the potential costs to business or the potential economic impact of these minimum wage proposals. Some industry sectors are more likely to employ individuals on the minimum wage than others (for example the hospitality, retail and agriculture sectors) and there is therefore scope for some industry sectors to be more significantly affected by larger increases in the minimum wage and associated rates. In the absence of this data it is very difficult to establish whether the proposed increases to the minimum wage rates could have unintended consequences for inflation and unemployment.

The Committee *for* Economic Development¹⁰ is therefore not supportive of CfESS’s revised proposal to increase the minimum wage by 4% and - by majority - would support an increase for the minimum wage and associated rates in line with the Q2 RPIX (+2.3%) from 1st January 2022, in line with the approach followed in 2021 and sufficient to cover a cost of living increase.”

6. Proposed rates for 2022

- 6.1. Ideally, the Committee would have wanted to resume the medium-term plan after a one year pause in 2021 when the minimum wage was increased by RPIX only. However, this would necessitate a 5.7% increase in the rate of the minimum wage in 2022 to £9.15 per hour. Given the continued economic uncertainties due to COVID-19, the Committee has decided instead to recommend a 4% increase to £9.05 per hour. This is half-way between the latest available RPIX figure of 2.3% (Q2 2021) and the 5.7% increase that would be required if the medium-term plan were to resume in 2022.
- 6.2. The Committee has taken into account the views of the Committee *for* Economic Development which is not supportive of the proposal to increase the minimum wage by 4%. That Committee would, by a majority, support an increase in line with the Q2 RPIX figure of 2.3% from 1 January 2022, in line with the approach followed in 2021 and sufficient to cover a cost of living increase. Under this proposal, the minimum wage for adults and young people would increase by £0.20 to £8.90 per hour and £8.45 per hour respectively.

¹⁰ Excluding Deputy Falla who, as a member of the Committee *for* Employment & Social Security, recused himself from the Committee *for* Economic Development’s consideration of the matter on 26 August 2021.

- 6.3. The Committee notes that by increasing the minimum wage by less than the annual increase in median earnings, low paid workers' wages would fall further behind the median and the gap to make up when the medium-term plan resumed would be larger.
- 6.4. The proposed 4% increase, which is slightly higher than the increase in the median earnings of employees during the year ending 31 March 2021 (3.2%), consolidates the progress made towards the target of 60% of median earnings and ensures that the gap between the level of the minimum wage and the target will not widen.
- 6.5. The Committee notes that the proposed adult minimum wage rate for 2022 of £9.05 per hour is £0.17 less than the rate being proposed by the Social Security Minister in Jersey. The Committee recognises the need for employers to attract and retain quality staff. The Committee considers that in order to do so, Guernsey must, among other things, offer pay rates that are attractive compared with other competitive jurisdictions.
- 6.6. The Committee intends to resume the implementation of the medium-term plan in 2023. The target date to achieve the aim of the medium-term plan (i.e. for a person working forty hours per week at the minimum wage to earn an amount equal to 60% of the median earnings of employees) will therefore be pushed back to 2025.

Adult minimum wage rate

- 6.7. The Committee proposes that the adult minimum wage rate is increased from £8.70 to £9.05 per hour, with effect from 1 January 2022.

Young person's minimum wage rate

- 6.8. The Committee proposes that the young person's minimum wage rate is increased from £8.25 to £8.60 per hour, with effect from 1 January 2022.
- 6.9. While the States has resolved to equalise the young person's rate with the adult minimum wage rate over time, the Committee is of the view that increasing it by the same percentage as the adult minimum wage rate is prudent given the current economic conditions. Efforts to narrow the gap between the young person's rate and the adult rate will continue when the medium-term plan resumes.

Accommodation and food offsets

- 6.10. The Committee also intends to increase the associated accommodation and food offsets by 4%, rounded to the nearest pound. These offsets set the maximum amount an employer is permitted to deduct from an employee's wage in compensation for providing accommodation and meals. These

changes, which do not require States approval, are shown below for information:

- Accommodation and food offset: £122 per week (currently £117)
- Accommodation only offset: £87 per week (currently £84)

7. Compliance with Rule 4 of the Rules of Procedure

- 7.1. Rule 4 of the Rules of Procedure of the States of Deliberation and their Committees sets out the information which must be included in, or appended to, propositions laid before the States.
- 7.2. In accordance with Rule 4(1)(b), the Committee has consulted in the development of these proposals (see section 5 for further information).
- 7.3. In accordance with Rule 4(1)(c), the Proposition has been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications. She has advised that there is no reason in law why the Proposition should not be put into effect.
- 7.4. In accordance with Rule 4(1)(d), the Policy & Resources Committee has confirmed that there will be no additional cost to the States of Guernsey's payroll of increasing the rate of the minimum wage by 4% as no States employees are paid less than the proposed rate of £9.05 per hour. The Payroll Co-funding Scheme will close on 30 September 2021, i.e. prior to the introduction of the new rate. The Committee has been advised by Treasury that the proposed increase in the minimum wage will have minimal impact on the residual schemes of financial support.
- 7.5. In this Policy Letter, the Committee has set out its proposals for increasing the minimum wage and associated rates with effect from 1 January 2022. In accordance with Rule 4(2)(a), it is confirmed that the propositions accord with the Committee's purpose:
- "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."
- 7.6. In particular, the Propositions relate to the Committee's mandated responsibilities:
- "To advise the States and to develop and implement policies on matters relating to its purpose, including...labour market legislation and practices;"

7.7. In accordance with Rule 4(2)(b), it is confirmed that the Propositions have the unanimous support of the Committee.

Yours faithfully

P J Roffey
President

H L de Sausmarez
Vice-President

T L Bury
S J Falla
J A B Gollop

M R Thompson
Non-States Member

R J Le Brun
Non-States Member

APPENDIX

GUERNSEY STATUTORY INSTRUMENT

2021 No.

The Minimum Wage (Prescribed Rates and Qualifications) (Guernsey) (Amendment) Regulations, 2021

<i>Made</i>	<i>8th September, 2021</i>
<i>Coming into operation</i>	<i>1st January, 2022</i>
<i>Laid before the States</i>	<i>, 2021</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^a, 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.

Interpretation.

2. In these Regulations, "**the principal Regulations**" means the Minimum Wage (Prescribed Rates and Qualifications) (Guernsey) Regulations, 2012^b.

^a Order in Council No. I of 2010; as amended by Order in Council No. XIII of 2010; and Ordinance No. IX of 2016.

^b G.S.I. No. 40 of 2012; as amended by G.S.I. Nos. 15 and 49 of 2014; No. 40 of 2015; No. 42 of 2016; No. 89 of 2017; No. 60 of 2018; No. 85 of 2019 and No. 104 of 2020.

Transitional and savings provisions.

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

(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 or her 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 of 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, 2021, and come into force on the 1st January, 2022.

Dated this 8th day of September, 2021

A handwritten signature in black ink, appearing to read 'P. J. Roffey', with a horizontal line drawn through the middle of the signature.

P. J. ROFFEY

President of the Committee for Employment & Social Security

For and on behalf of the Committee

SCHEDULE

Regulation 1

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	£9.05 per hour.
Young Person's Minimum Wage Rate	£8.60 per hour."

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 £9.05 per hour and £8.60 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 1st January, 2022. The new rates will then take effect on and from the first day of the first pay reference period (as defined in regulation 3) of each worker in respect of any particular work.

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 1ST JANUARY 2022

The President
Policy & Resources Committee
Sir Charles Frossard House
La Charroterie
St Peter Port
GY1 1FH

13th September 2021

Dear Sir

Preferred date for consideration by the States of Deliberation

In accordance with Rule 4(3) of the Rules of Procedure of the States of Deliberation and their Committees, the Committee *for* Employment & Social Security requests that 'Amendments to Statutory Minimum Wage Arrangements' be considered at the States Meeting due to commence on 13th October 2021.

It would be helpful for the Policy Letter to be considered at the earliest opportunity as employers need time to prepare for the increase in the minimum wage prior to implementation on 1st January 2022.

Yours faithfully



P J Roffey
President

H L de Sausmarez
Vice-President

T L Bury
S J Falla
J A B Gollop

M R Thompson
Non-States Member

R J Le Brun
Non-States Member