



## **Forum recommends Minimum Wage 2.5%** **minimum wage increase**

The Employment Forum is recommending that the minimum wage should increase to £6.48 per hour from 1 April next year.

As well as consulting interested parties during the summer, the Forum considered the latest statistics and economic advice. David Robinson, Chair of the Employment Forum explained, *“Growth in sectors other than Finance is uncertain, the labour market is still weak, and long-term unemployment is increasing. With average earnings growth of 2.5% overall to June 2011, and minimum wage increases of 2.5% in the UK and Guernsey, we unanimously recommend a 2.5% increase in the minimum wage.”*

The Forum is also recommending -

- an equivalent 2.5% increase in the trainee rate,
- a 2.5% increase in the maximum amounts that an employer may offset against minimum wage pay where staff accommodation, or accommodation with three meals each day is provided,
- A new maximum offset that will apply where the trainee rate is paid and staff accommodation, or accommodation with three meals each day is provided, at a maximum of 75% of the full offsets,



- No 'youth rate'; the full minimum wage, or trainee rate will continue to be payable to employees over compulsory school age.

Mr Robinson said *"The Forum will require more evidence to review other aspects of the minimum wage system, including data on minimum wage earners, trainees and youth employment issues. We intend to commission some research next year to explore these areas in detail. We also hope to work with the Jersey Skills Board and Jersey Enterprise in 2012 to review the conditions relating to the trainee rate."*

The Social Security Minister will consider the Forum's recommendations and will announce his response so that any necessary changes to the Law can be proposed to the States.

The Forum's full recommendation is available on the States website [www.gov.je/minimumwage](http://www.gov.je/minimumwage)

Copies may also be obtained from the Forum's Secretary; E.Forum@gov.je or 447204.