

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

9<sup>th</sup> April, 2025

**Proposition No. P.2025/38**

**Committee for Employment & Social Security**

**Amendments to Statutory Minimum Wage arrangements to come into force on 1<sup>st</sup>**  
**October 2025**

**AMENDMENT**

Proposed by: Deputy S Kazantseva-Miller

Seconded by: Deputy B Murray

To delete Proposition 1 and substitute therefor:

- "1. To request the Committee *for* Employment & Social Security, when making new regulations pursuant to sections 1(3) and 3(1) of the Minimum Wage (Guernsey) Law, 2009, to consider that all future increases to the Minimum Wage should come into force on 1<sup>st</sup> January of each year to coincide with Guernsey's tax year.
2. To request the Committee *for* Employment & Social Security, when making new regulations pursuant to sections 1(3) and 3(1) of the Minimum Wage (Guernsey) Law, 2009, to consider that regulations should be lodged in time to be debated at the States meeting that immediately follows the Special Meeting in November each year.
3. To request the Committee *for* Employment & Social Security, when making new regulations for the year 2026, to consider more up-to-date economic statistics such as the most recent RPIX data published by the States of Guernsey together with other relevant factors that the Committee has a duty to consider under Section 6 of the Minimum Wage (Guernsey) Law, 2009.

**Rule 4 information**

- a) The Propositions contribute to the Sustainable Health and Care Services Strategic Portfolio agreed as part of the Government Work Plan.
- b) Consultation has taken place in the preparation of this Proposition with the Committee *for* Employment and Social Security.

- c) The Propositions have been submitted to His Majesty's Procureur for advice on any legal or constitutional implications.
- d) There are no financial implications to the States of carrying the proposal into effect.
- e) Drafting advice has been sought from the States' Greffier and no advice has been sought from the Officers of the Committee *for* Employment & Social Security.

### **Explanatory Note**

The policy letter is lodged unusually early this year due to the upcoming election, which would have made it more difficult for the Committee *for* Employment and Social Security to undertake the statutory consultation period during the usual timeframe. In 2024, the minimum wage regulations were lodged for debate in September, which means that the debate on the proposals today is happening five months prior to the timing in 2024. The debates in 2023 and 2022 took place in July.

The earlier than-usual timing to consider the minimum wage means that there is a longer time-lag between the key economic factors taken into account in making the proposed regulation and the time when they will come into effect. One of the key indicators taken into account is the December 2024 RPIX. We consider it not to be prudent to set the minimum wage on indicators with such lag, not only because there is a lot of uncertainty around the inflation trajectory going forward.

The second bigger issue with the minimum wage coming into effect on October 1<sup>st</sup> of each year is that this date is out-of-sync with the Guernsey tax year which runs from January 1<sup>st</sup> to December 31<sup>st</sup> and the Annual Budget process. It perpetuates the issue that there are multiple decisions with a fiscal impact on the economy that are made outside of the Budget process (including the Funding & Investment plan and contributory benefits). We believe that the key fiscal decisions, including the minimum wage should be better aligned to the Budget setting process and the Guernsey fiscal year which enables more stability and planning for both households and businesses for the fiscal year ahead.

The date when the minimum wage has to come into effect is not prescribed by legislation, therefore there are no legislative changes required to bring the proposals of the amendment into effect.

The amendment seeks to ensure the debate on the minimum wage takes place during the first meeting following Budget which would be the second States meeting at the end of November. Based on the current schedule of States meetings and deadline for submissions, it would mean the lodging of the relevant policy letter at the beginning of October, which should allow the Committee to take into consideration the RPIX from the end of June of each year in their proposals and consultation process as well as any other relevant factors.