

Department for Enterprise

Review of the Rates of Minimum Wage

The Minister for Enterprise has requested the Minimum Wage Committee to make recommendations to him on any changes to the rate of the minimum wage to come into effect in April 2024.

The Committee is seeking views on this important issue, and would welcome written submissions from interested parties in relation to those matters to which the Committee shall have regard, namely:-

- the wider social and economic implications of any minimum wage to be prescribed under the Act;
- its likely effects on;
 - employment, especially amongst disadvantaged groups;
 - inflation;
 - its impact on the costs and competitiveness of businesses;
 - the costs of industry and public authorities on the Island;
- its impact on pay, employment and competitiveness in low-paying sectors and small businesses;
- its effect on different groups of workers;
- the effect on pay structures;
- the interaction between minimum wage rates and the tax and benefit systems.

Additionally, on 2nd July 2021, Tynwald accepted a Recommendation “That Tynwald is of the opinion that the minimum wage should transition to the living wage within five years”. This commitment was subsequently included in the Island Plan. This rate review represents year 3 of 4 within that timescale. Allowing for a one half erosion of the difference between the current minimum wage and the likely living wage, and inflation of approximately 6%, this would place the main rate (“the Single Hourly Rate”) of the minimum wage at approximately £11.75/hour. The Committee seeks feedback concerning that potential rate and the impacts it would have regarding the considerations above. The Committee would also encourage submissions from people in receipt of the minimum wage; and would particularly welcome views concerning the effectiveness of the 16 to 18 wage rate.

Current Minimum Wage Rates:

- aged 18 years and over - £10.75
- who is over compulsory school age but not 18 - £8.05

Submissions should be addressed to: The Secretary to the Minimum Wage Committee, Department for Enterprise, Nivison House, Prospect Hill, Douglas, IM1 5ET or by e-mail to employment.dfe@gov.im
Submissions to be received on or before Friday 1st December 2023