

Department for Enterprise

Rheynn Gastid Dellal



News Release

Isle of Man Department for Enterprise
St George's Court
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8th November 2022

Submit your views on the rates of minimum wage in the Isle of Man

The Minimum Wage Committee, an independent committee constituted of employer and worker representatives, is seeking views from businesses and individuals as part of a review into the rates of the minimum wage in the Isle of Man.

The Minister for Enterprise, Lawrie Hooper MHK, has requested the Minimum Wage Committee make recommendations on any changes to the rate of the minimum wage to come into effect in April 2023.

In response to this request, the Minimum Wage Committee is seeking views from both businesses and individuals on this important issue and would welcome written submissions from interested parties.

The Minimum Wage Committee will review submissions received and consider these alongside the matters prescribed in legislation to which they must have regard, including:

- The wider social and economic implications of any minimum wage to be prescribed under the Act;
- It's 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; and
- The interaction between minimum wage rates and the tax and benefit systems.

Additionally, on 2nd July 2021, Tynwald supported a Recommendation of the Select Committee on Poverty *"That Tynwald is of the opinion that the minimum wage should transition to the living wage within five years"*, and subsequently the ambition to achieve this transition by 2025 was set out in the Island Plan.

This rate review is taking place during year two of four within that timescale. The Minimum Wage Committee are of the view that allowing for a one third erosion of the difference between the minimum wage and the living wage, and inflation of approximately 10% this would indicate that the main rate ("the Single Hourly Rate") of the minimum wage would need to increase to approximately £11 per hour from April 2023 to remain on course for a steady transition to Living Wage levels.

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, and the Development Worker rate.

Lawrie Hooper MHK, Minister for Enterprise, commented:

'A key policy action outlined in the Island Plan is to transition the Island's minimum wage rates in line with the Living Wage by 2025, in order to address income disparities in the Island and ensure it remains a prosperous place for our residents to call home.

'I recognise that the current climate, with increasing costs of living and inflation, has imposed financial challenges for both individuals and businesses. The purpose of this independent review by the Minimum Wage Committee will be to ensure that any

decision on minimum wage rates for 2023 is fully informed by the Manx community, and takes into account the variety of the challenges faced across our economy.

'This, combined with ambitious objectives set through the Economic Strategy, means it is imperative that any changes to the minimum wage rate in the Isle of Man balances the needs of employers and the working population, alongside continuing to support our Island becoming an increasingly secure, vibrant and sustainable place to live and work.'

Submissions can be sent to the Minimum Wage Committee by email to employment.dfe@gov.im, or by post to the following address:

The Secretary to the Minimum Wage Committee, Department for Enterprise, Nivison House, Prospect Hill, Douglas, IM1 5ET.

The Minimum Wage Committee requests all submissions to be received on or before Monday 28th November 2022 and further information concerning the minimum wage can be found at: <https://www.gov.im/categories/working-in-the-isle-of-man/employment-rights/minimum-wage/>

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Notes for Editors:

Minimum Wage Hourly Rates	
Age Rate	Current Rate
Aged over 18 (except for Development Workers)	£9.50
Over compulsory school age but under 18	£6.80
Development Workers (Aged 18 or over, receiving training accredited by the Department for Education, Sport & Culture, and within the first 6 months of employment with their employer)	£8.05