## CAREY OLSEN

# Jersey employment law update

Service area / Employment, Pensions and Incentives Legal jurisdiction / Jersey Date / February 2025

#### Employment law reform proposals – Jersey

In June 2024, the Employment Forum produced a report and recommendations on the compensation awards regime in Jersey. The Minister for Social Security accepted the recommendations and requested law drafting to amend the relevant provisions of the Employment (Jersey) Law 2003 and Discrimination (Jersey) Law 2013. The proposition has been lodged in the States Assembly and is scheduled to be debated on Tuesday 4 February 2025.

The proposed legislation to amend the law is linked here, and summarised below.

- The cap on compensation for of unfair dismissal currently ranges from four weeks' pay for employees with one year's service to 26 weeks' pay for employees with five years of continuous service. The proposals would add two new bands to this – 31 weeks' pay for employees with 10 years of service and 36 weeks' pay for employees with 15 years of service or more. In addition the employment tribunal will have a discretion to award an uplift in award of up to 25% where the employers conduct has been particularly egregious.
- Compensation cap for discrimination claims are proposed to increase to the greater of £50,000 or 52 weeks' pay, of which up to £30,000 may be awarded for hurt and distress. Malcolm Ferey (Assistant Chief Minister and Vice Chair of the State's Employment Board) has tabled an amendment to the discrimination proposals substituting a proposed cap of the lesser of £30,000 and a year's pay.
- Compensation cap for breaches of most statutory employment rights are proposed to be increased from four weeks' to eight weeks' pay.

• Compensation cap for breaches of an employee's contractual rights should increase from £10,000 to £30,000.

In addition to increasing compensation levels, the proposals include a legal requirement for an employer to provide (within seven days of dismissal) written reasons for dismissal. The award for any failure to do so is up to eight weeks' pay. Unlike the UK and Guernsey equivalent rights, there is no qualifying period applicable to such rights and nor does an employee need to make a written request for a written statement.

#### Minimum wage

The Employment (Minimum Wage) (Jersey) Amendment Order has now been published and confirms that the minimum wage in Jersey will increase from £11.64 to £13 from 1 April 2025. See a link to the amendment order here: Employment (Minimum Wage) (Jersey) Amendment Order 2024.

The Order follows the Government of Jersey's commitment to bring the minimum wage and the living wage to two thirds of the average median wage by the end of 2026.

## Changes to the Control of Housing and Work (Jersey) Law 2012 ("CHWL")

The Common Population Policy Annual Report 2024 states that (amongst other things) the current CHWL legislation lacks the flexibility to adapt to external influences on the island and its workforce. As such, the Assistant Chief Minister has developed new CHWL Regulations, and the proposed amendments can be found in the Population Report linked here.

#### OFFSHORE LAW SPECIALISTS

These revised regulations are due to be lodged and debated in the Assembly in early 2025. We are currently reviewing the regulations and will summarise the key amendments in due course.

Should you require any further information or advice, please get in touch with us.



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