



MINISTERIAL STATEMENT

By:

The Hon. Jason P Hayward, JP, MP

Minister for the Ministry of Economy and Labour

The Employment (Minimum Wage Entitlement) Bill 2022

November 18th, 2022

Good morning, **Mr. Speaker**.

I am pleased to rise today to provide the Members of this honourable House an overview of the Employment (Minimum Wage Entitlement) Bill 2022 (the “Bill”) that has been tabled and set for debate in the next sitting of this honourable House.

Mr. Speaker, as highlighted in the 2020 Speech from the Throne and the Economic Recovery Plan, this Government has made a commitment to the employees of Bermuda to ensure that they receive a dignified wage which will allow them to cover their basic needs.

In October 2019 the Employment (Wage Commission) Act 2019 came into effect, which established a Wage Commission tasked with inquiring into the provision of a statutory wage scheme and recommending to the Minister responsible for labour a minimum hourly wage and a living wage rate.

Mr. Speaker, in January 2020, the Commission was presented to the public and began its work in earnest. In April 2021, the Commission provided the Minister responsible for labour with its report on a minimum hourly wage rate which detailed its recommendations for such wage rate in Bermuda.

This Bill establishes the regulatory regime around the implementation of the statutory wage scheme by introducing provisions to give employees in Bermuda a right of entitlement to a statutory minimum wage as well as set out enforcement provisions to support the right to a statutory minimum wage rate for Bermuda's workforce.

Mr Speaker, all employees are entitled to be paid for hours worked and should have the confidence in knowing that their employer is complying with its obligations pursuant to the Bill by paying them at least, the statutory minimum hourly wage rate.

The Bill establishes a procedure to be followed to ascertain whether a person who is entitled to receive the statutory minimum hourly wage is actually receiving it. Employees entitled to the statutory minimum hourly wage under the Bill are employees referred to in section 3(2)(a) of the Employment (Wage Commission) Act 2019. The statutory minimum hourly wage shall not apply to employees referred to in section 3(2)(b) of that Act (as amended by this Bill).

Mr Speaker, employers will be required to retain records to show that they are complying with their obligation to pay the statutory minimum hourly wage rate to their employees. In turn, an employee who has reasonable grounds to believe that their employer has paid them at a rate which is less than the minimum hourly wage, may make a request to access their records in this regard.

Labour inspectors will have the authority to investigate an employee's complaint against his employer pursuant to the Bill and issue enforcement notices to employers who have failed to correctly remunerate an employee or employees.

Mr Speaker, employers who breach the Bill will be subject to a civil penalty regime which will entail a faster, less laborious process for handling breaches. This penalty will be calculated at a rate equal to twice the amount of the minimum hourly wage in respect of the worker that the failure relates to for each day that the failure persists. The Ministry intends to bring into force on 1 June 2023 a statutory minimum wage rate of \$16.40, which will be one of the highest minimum wage rates in the world.

Mr Speaker, Many jurisdictions view minimum wages as a vehicle to take the lowest paid out of poverty, others view it as a wage floor, below which employers are not permitted to pay. Regardless of the approach, this will improve the lives of workers, especially those within occupations with traditionally low levels of remuneration. In addition, it provides a level of confidence that employers will be held accountable should they fail to adhere to the payment of a statutory hourly minimum wage.

Mr. Speaker As identified in the ILO’s Global Wage Report 2020/21, the extent to which a minimum wage may reduce wage and income inequality depends on at least three key factors: the “effectiveness” of minimum wages, the level at which minimum wages are set, and the characteristics of minimum wage earners. The first condition comprises the extent of the *legal coverage* and the *level of compliance* – which, when combined, may be called the “effectiveness” of minimum wages. This Bill seeks to satisfy the first of those conditions by ensuring that employers are compliant with providing their workers with a minimum wage and enabling a framework for inspection and investigation of complaints.

Mr. Speaker, the Ministry would like to thank the Members of this honourable House for the opportunity to address them in this regard.

Thank you, **Mr. Speaker.**