

Submission to the Low Pay Commission Consultation Process 2016

Name	<u>Liam Beane</u>	
Organisation	<u>Irish Congress of Trade Unions</u>	
Are you (Please tick)	Employer	<input type="checkbox"/>
	Employee	<input type="checkbox"/>
	NGO	<input type="checkbox"/>
	Union	<input checked="" type="checkbox"/>
	Other (please specify) _____	
Size of Organisation (Number of Employees)	0-10	<input type="checkbox"/>
	11-25	<input type="checkbox"/>
	26-50	<input type="checkbox"/>
	51-100	<input type="checkbox"/>
	100+	<input type="checkbox"/>
Submission Topic (Please tick all that apply)	The board and Lodging allowances provided for under the National Minimum Wage	<input checked="" type="checkbox"/>
	The National Minimum Wage	<input type="checkbox"/>
Consultation	Please indicate if you would be willing, if requested, to meet with the Commission to present your views on this topic	<input checked="" type="checkbox"/> Yes
		<input type="checkbox"/> No

13th January 2016.

Máire Ní Chuirc
Secretary
Low Pay Commission
Room 207A
Davitt House
Adelaide Road
Dublin 2.

Dear Ms. Ní Chuirc,

I refer to the recent advertisement by the Low Pay Commission seeking submissions from interested parties in relation the allowances for board and lodgings provided for under the National Minimum Wage Act 2000.

Congress has consulted with our affiliated unions and a number of important issues have arisen which we believe should be considered as part of the Commissions deliberations. We have set these out in the following paragraphs.

1) There is no reliable data on the number of employers that apply the allowance for board and lodgings. There is also no reliable data on the numbers of employees who might be affected by any change in the regulations. In our view it would be bad practice if the Low Pay Commission were to make a recommendation to adjust the allowances for board and lodgings in the absence of a clear understanding of its likely impact.

2) There are no definition(s) as to what constitutes board or lodgings and there is no guidance as to the circumstances in which the allowance(s) can be applied. Equally there are no regulations/ guidance relating to the to the standard of accommodation that an employee should receive in the case of lodgings and no regulations / guidance relating to the quality of the food that an employee should receive in the case of board. We have established from consultations with our affiliated unions that there are significant variations in the standard of board and lodgings that are provided in circumstances where the allowance(s) are applied.

3) Our affiliated unions are strongly of the view that the issue of the applicable allowance for board and lodgings, should be determined as part of a process of collective bargaining. The recently re-established Joint Labour Committee system allows for the setting of minimum, legally binding pay and conditions of employment in any sector through collective bargaining. However the employers in the sectors where the allowance for board and lodgings is most likely to apply have refused to participate in the JLC system thus preventing the making of an Employment Regulation Order. It is open to the Low Pay Commission to encourage the both employers and unions in the relevant sectors to engage in the JLC system to address any issues arising with respect to board and lodgings.

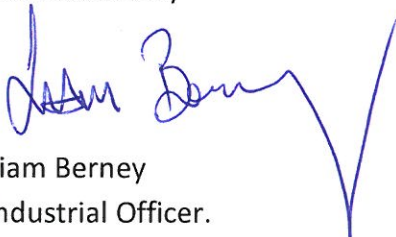
4) Congress is extremely concerned that one of the possible motivations for seeking a review is to claw back the recent increase in the hourly rate of the minimum wage. The hourly rate of the minimum wage has increased by 60c in the last two years. Congress regards this increase as wholly inadequate however it would be unacceptable if the Low Pay Commission were to recommend an increase in the allowances for board and lodgings that would give an opportunity for employers to recover some of the recent increase.

Congress believes that the review by the Low Pay Commission relating to the allowance for board and lodgings should recommend:

- that a study be carried out into the use of the allowance by employers. The study should examine the standard of accommodation and food provided to employees and report on what regulations exist in other relevant comparable countries;
- that employers and unions in the relevant sectors of the economy engage through the JLC system to address any issues that arise in respect of board and lodgings; and
- that there is no basis for an adjustment to the rate of the allowance for board and or lodgings provided under the National Minimum Wage Act 2000.

Congress would be happy to meet the Low Pay Commission to discuss the content of this submission.

Yours sincerely



Liam Berney
Industrial Officer.