

Submission to the Low Pay Commission Consultation Process 2016

Name	Tim Fenn	
Organisation:	Irish Hotels Federation	
Are you (Please tick)	Employer	<input type="checkbox"/>
	Employee	<input type="checkbox"/>
	NGO	<input type="checkbox"/>
	Union	<input type="checkbox"/>
	Other (please specify) National Representative Body for hotels and guesthouses	
Size of Organisation (Number of Employees)	0-10	<input type="checkbox"/>
	11-25	<input checked="" 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 Yes requested, to meet with the Commission to present your views on this topic	<input type="checkbox"/>
		<input type="checkbox"/> No

IRISH HOTELS FEDERATION

SUBMISSION TO

LOW PAY COMMISSION CONSULTATION PROCESS 2016

ON THE

THE BOARD AND LODGING
ALLOWANCES PROVIDED FOR UNDER THE NATIONAL
MINIMUM WAGE



JANUARY 10TH 2017

The IHF welcomes the opportunity to make a submission to the Low Pay Commission in relation to the allowances for Board and Lodgings provided for under the National Minimum Wage.

The IHF is the national organisation of the hotel and guesthouse sector in Ireland.

Hotels and guesthouses employ over 50,000 people, we work with our industry partners to ensure the right conditions are in place for tourism to grow and prosper, thereby contributing to the on-going recovery and job creation in the economy.

The hotel sector is a distinct sector which is very labour intensive and historically hotels and guesthouses offer board & lodgings and take the monetary value into account in accordance with the National Minimum Wage Act, 2000 (NMWA) as follows:

- €54.13 for board and lodgings per week, or €7.73 per day;
- €32.14 for board only per week, or €4.60 per day;
- €21.85 for lodgings only per week, or €3.14 per day.

As noted in your advertisement for submissions the maximum rates set down in the NMWA were imported from several Employment Regulation Orders (EROs) and the monetary value permitted was not the market value of the board and lodging provided and while the NMWA has been adjusted on several occasions the board & lodgings allowances have not been adjusted since the NMWA was introduced in 2000.

In preparing this submission several factors were taken into consideration:

- 1) number of hotels who calculate board & lodgings into their payroll
- 2) whether employees see this as a valuable benefit
- 3) if an increase in the allowances would be acceptable to both employers and employees

Historically hotels have provided board and/or lodgings for their staff due to the nature of the hospitality and accommodation sector – it being a 24 hour, 7 day a week business – with staff working in hotels on a live-in basis.

Over the past few decades the provision of accommodation has decreased due to the economic viability of providing and maintaining staff accommodation but this may change in the future with the increase in cost of rental accommodation for employees.

The majority of hotels continue to provide board (meals) for their employees (separately to lodgings) with over half of our member hotels using the provision of meals as a reckonable component of pay.

The provision of meals to hotel employees is perceived by staff as a valuable benefit and most employees recognise it as a perk and indeed have come to expect it.

Many hotels currently don't avail of the provision of meals as a reckonable component of pay and as such provide meals to on-duty staff at no cost to the employee when rostered.

We note in your request for submissions in relation to Board and Lodgings (in paragraph 2, line 3) you refer to 'deductions'. Please note that this term is not correct, as the NMWA refers to "*an allowance*" being included in the rate of pay. Any change to this wording could have income tax implications.

Recommendations

The IHF recommends that the current rates set out under the NMWA should not be adjusted in the current year but should be reviewed in line with future increases in the national minimum wage.