



# Minimum Wage

## FACT SHEET

### What is SHG proposing?



**St Helena Government**

- A new Minimum Wage Policy that introduces a framework changing how Minimum Wage increases will be considered in the future
- Minimum Wage beginning from **1st July 2021**

Workers 18+ years old

Workers 16-17 years old

**+ 7p per hour**

£3.25

£2.30

### Why are these changes important?

More ambitious increases to the Minimum Wage are needed to ensure that the lowest paying full-time job on St Helena is sufficient to achieve a socially acceptable standard of living.

The proposed Minimum Wage Policy sets a longer-term path to a more ambitious Minimum Wage, benefitting workers and providing adequate time for businesses to plan and adapt.

There is a limit to the size of wage increase a business can absorb when changes are announced on an annual basis, particularly at this time of uncertainty caused by COVID-19.

**Public Feedback**

**Business Feedback**

In the short-term, the proposed increase in the Minimum Wage for 2021 will protect low-income households from the impacts of inflation and ensure that the Minimum Wage is increasing in line with Income Related Benefits.

### What are the expected impacts of this new policy?

- Increases disposable income and ensures full-time work is a means to live, not just survive.
- Helps people provide for their families and makes remaining on-Island a more viable option for those who don't want to leave and a more attractive alternative for those who want to return home.
- Benefits not just those making Minimum Wage but also those workers whose wages increase in line with the Minimum Wage.
- Long-term implementation reduces the potential impact on consumer prices and gives businesses the opportunity to plan for operational changes, reduce headcount through attrition rather than redundancies and make investments in technology and training.
- Businesses are likely to benefit from an increased customer base as the disposable income available to households increases.



### Next Steps

- SHG is consulting on the 2021 increase and new Minimum Wage Policy until **26 February**.
- Any changes to the Minimum Wage will be finalised by **31 March** to take effect from **1 July**.
- Following approval of the proposed Minimum Wage Policy, SHG will undertake consultation on a target Minimum Wage and options for achieving this target over a period of time, ideally 3-7 years.
- A timetable for achieving the target minimum wage will be approved and published by the end of 2021, to commence implementation from **1 April 2022**. Among other factors, this timetable will also consider the timing for resumption of commercial air travel and global control of COVID-19.

**JULY**  
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