

2019

**LOW PAY**  
COMMISSION

AN COIMISIÚN UM PÁ ÍSEAL

Three Year Report  
(2015-2018)

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# Contents

## Chairman's Preface

1	Overview	1
2	Work of the Commission 2015-2018	5
3	Impact of Recommendations	11
4	Conclusion	14

## Chairman's Preface

The Low Pay Commission (LPC) was established in 2015 in order that an evidence-based approach might be taken to the setting of the National Minimum Wage (NMW). The Commission came into being at a time when Ireland was beginning to emerge from one of the worst economic recessions in its history. During the recession, the rate of the National Minimum Wage had remained unadjusted since 2011. During the first term of office of the LPC (2015-2018), it recommended total increases in the NMW amounting to €1.15, or 13.3%.

When the Commission began its work there were significant data gaps relating to low pay in Ireland. There have been significant improvements in the data but work still remains to be done. I wish to thank the CSO for working with us to make improvements in this area. I also wish to thank the ESRI for their research which has greatly assisted the Commission in its work. I am also grateful to the Revenue Commissioners for the research they completed based on their data.

I would like to take this opportunity to extend my thanks to the members of the first Low Pay Commission and commend them on all of their work over the past three years. In particular I would like to extend my thanks to the three members of the Commission, Caroline McEnery, Edel McGinley and Professor Donal O'Neill, who are not returning for a second term. Each of them brought unique skills and expertise to the LPC and their contribution to the work of the Commission was greatly appreciated.

# Chapter 1 Overview

## Our Brief

The Low Pay Commission was established under the National Minimum Wage (Low Pay Commission) Act 2015. The primary remit of the Commission is to make annual recommendations to Government on the appropriate rate of the National Minimum Wage using an evidence-based approach. It is also a stipulation of the Act that:

*“The Commission shall once every three years report generally on the operation of this Act and, in particular, on the impact of any orders made under section 10D on low pay, income distribution and employment costs.”*

This report reviews the operations of the first Low Pay Commission for its term of office from 2015-2018. The report provides a background to the Commission, its membership and composition, work undertaken by the Commission during its first three year term and the impact of its recommendations on a range of economic factors.

## Background

Under the legislation establishing the Low Pay Commission, the National Minimum Wage (Low Pay Commission) Act 2015, the duty of the Commission is determined as being to:

*“... make recommendations to the Minister regarding the national minimum hourly rate of pay that—*

*(a) is designed to assist as many low paid workers as is reasonably practicable,*

*(b) is set at a rate that is both fair and sustainable,*

*(c) where adjustment is appropriate, is adjusted incrementally, and*

*(d) over time, is progressively increased,*

*without creating significant adverse consequences for employment or competitiveness.”*

Our remit, and the legislation, require that the Commission give consideration to a range of issues in coming to a decision on a recommendation to the Minister for an appropriate rate for the minimum wage. Some of the issues are, essentially, matters of fact, while others necessitate an element of assessment and appraisal, and considered judgement.

The particular issues the Commission is obliged to have regard to in considering its recommendation are —

- (a) changes in earnings during the relevant period,
- (b) changes in currency exchange rates during the relevant period,
- (c) changes in income distribution during the relevant period,
- (d) whether during the relevant period—
  - (i) unemployment has been increasing or decreasing,
  - (ii) employment has been increasing or decreasing, and
  - (iii) productivity has been increasing or decreasing,both generally and in the sectors most affected by the making of an order,
- (e) international comparisons, particularly with Great Britain and Northern Ireland,
- (f) the need for job creation, and
- (g) the likely effect that any proposed order will have on —
  - (i) levels of employment and unemployment,
  - (ii) the cost of living, and
  - (iii) national competitiveness.

The legislation requires the Commission, in making its recommendation, to have regard to these factors in the period since the most recent making of a National Minimum Wage Order.

The remit of the Low Pay Commission (LPC) is to recommend levels for the minimum wage rates that will help as many low-paid workers as possible without any significant adverse impact on employment or the economy. The advice the LPC offers the Government to achieve this aim is based on the best available evidence.

## **Members of the Commission 2015-2018**

The Commission comprises eight members and an independent Chairperson. There are three members who have an understanding of the interests of employers, particularly small

to medium-sized employers and those operating in traditionally low paid sectors, and who possess a good knowledge and understanding of the particular issues faced by Irish businesses, particularly in relation to labour costs, and competitiveness. There are three members who have an understanding of the interests of employees, particularly the impact of living on the minimum wage and the sectors where low pay and minimum wage workers are concentrated. There are also two academics that have particular knowledge and expertise in relation to economics, labour market economics, statistics, and employment law, as well as proven competence in analysing and evaluating economic research and statistical analysis.

The term of office of a member of the Commission is three years from the date of appointment. The first Commission served from 16<sup>th</sup> July 2015 to 15<sup>th</sup> July 2018. A person may not be a member of the Commission for more than two consecutive terms of office but is otherwise eligible for re-appointment. The members who served on the first Low Pay Commission are listed below.

<b>Commission Members</b>	
<b>Dr. Donal de Buitléir</b>	Chairperson
<b>Mr. Vincent Jennings</b>	Chief Executive Officer, Convenience Stores and Newsagents Association
<b>Ms. Patricia King</b>	General Secretary of ICTU
<b>Mr. Gerry Light</b>	Assistant General Secretary, Mandate Trade Union
<b>Ms. Caroline McEnery</b>	Director, The HR Suite; HR & Business Solutions
<b>Ms. Edel McGinley</b>	Director, Migrant Rights Centre Ireland
<b>Ms. Mary Mosse</b>	Former Lecturer in Economics, School of Business, Waterford Institute of Technology
<b>Mr. Tom Noonan</b>	Former Chief Executive, The Maxol Group, President of IBEC (2008-2010)
<b>Professor Donal O'Neill</b>	Department of Economics, Finance and Accounting, NUI, Maynooth

## Attendance by Members at Low Pay Commission Meetings

Between 2015 and June 2018 there were 28 meetings of the Low Pay Commission held. The attendance by each member of the Commission is outlined below.

Members Name	Meetings Attended
<b>Donal de Buitléir</b>	27
<b>Vincent Jennings</b>	27
<b>Patricia King</b>	25
<b>Gerry Light</b>	23
<b>Caroline McEnery</b>	25
<b>Edel McGinley</b>	25
<b>Mary Mosse</b>	26
<b>Tom Noonan</b>	23
<b>Donal O'Neill</b>	23

## Support to the Commission

The Commission has a small secretariat which drafts its reports, arranges meetings, administers its budget and finances and oversees research and data collection. The secretariat also serves as the liaison with the Department under whose aegis the Commission operates (the Department of Jobs, Enterprise and Employment for the period 2015 to September 2017 and since then the Department of Employment Affairs & Social Protection). The secretariat provides input to the business of the Department when required in the form of data and information for parliamentary questions, memos to Government, briefing material and financial audits. Particular thanks are due to the secretariat, ably led since the Commission's establishment by Principal Officer, Maire Ni Chuiric, for supporting our work most effectively and efficiently.

## Finance and Budget

The budget for the Commission is provided by the Department of Employment Affairs and Social Protection. The Commission's annual expenditure has ranged between €250,000 and €300,000 over the three years.

## Pay

The pay budget component covers both members' fees, paid on a quarterly basis, and salaries of the secretariat staff (see below). The payment of member's fees has been lower than anticipated for this Commission as two members (Gerry Light and Patricia King) opted not to receive fees for the period and one was ineligible under the Department of Public Expenditure and Reform's 'one person one salary principle' (Professor Donal O'Neill).

Total in fees paid to LPC Members: €297,954 (2015-2018)\*

- Chairperson of the Commission: €20,520 per annum
- Member of the Commission: €11,970 per annum

Pay for the secretariat has fluctuated somewhat throughout the period as a result of staff changes.

## Non-Pay

The Commission's non pay budget component is used to fund the Commission's research partnerships and projects as well as the day to day administration of the Commission.

A breakdown of the Commissions expenditure since its establishment is set out below:

Expenditure Item	2015*	2016	2017	2018
Salaries	€94,000	€150,000	€112,000	€149,200
Fees	€61,400	€81,000	€60,000	€75,300
Research	€75,000	€55,000	€84,000	€55,000
Administration*	€20,300	€21,000	€15,000	€27,600
<b>Total</b>	<b>€250,700</b>	<b>€307,000</b>	<b>€271,000</b>	<b>€307,100</b>
<i>of which:</i>				
<i>Pay</i>	<i>€155,400</i>	<i>€231,000</i>	<i>€172,000</i>	<i>€224,500</i>
<i>Non-Pay</i>	<i>€95,300</i>	<i>€76,000</i>	<i>€99,000</i>	<i>€82,600</i>

\*This includes payments during the Commission's interim period of operations from February 2015. The first full year of operation was 2016.

## Chapter 2 Work of the Commission 2015-2018

### Research

Upon the establishment of the Low Pay Commission, it was noted that there were significant gaps in the data which would ideally be available to the LPC to assist it in coming to a recommendation on the appropriate level of the national minimum wage. The LPC indicated that it would seek to address this issue over the coming years. In this regard, the LPC put in place a research partnership with the Economic and Social Research Institute (ESRI) and have worked with them to develop research projects in order to address gaps in the existing data.

In addition to research produced by the partnership, the Commission has sought the assistance of Government Departments and bodies to improve the data available to it. A major initiative undertaken by the Commission was to request the Central Statistics Office (CSO) to include a pilot question on the National Minimum Wage in the Quarterly National Household Survey (QNHS), now the Labour Force Survey (LFS). The minimum wage question was introduced to the QNHS in Q2 2016 and the first results were released in April 2017. This survey produces data for the Commission as to the numbers of people impacted by the National Minimum Wage, as well as certain worker characteristics (age, gender, nationality, sector of employment etc.). The Commission has also stressed to the CSO the vital importance of undertaking a survey similar to the National Employment Survey (NES), which was discontinued in 2009. This survey would provide a rich source of useful data for the LPC on firm level profitability and low pay employment. The CSO has confirmed to the Commission that they will be undertaking an NES again, the current plan being to publish in Autumn 2020.

The Revenue Commissioners have also provided assistance to the Commission and in 2017 produced a report, "Analysis of Low Income Taxpayers and Employer Profitability: Evidence from Tax Records". This report added to the Commission's understanding of the relationship between employer profitability and low pay.

The Commission is committed to continuing to develop positive relationships with any bodies that can help to improve the data available to it. The Commission is always cognisant of the fact that high quality data is absolutely essential so that it can make its evidence-based recommendations.

## LPC/ESRI Partnership

The LPC/ESRI partnership, which commenced in December 2015, and is due to run until December 2018, has produced the following research pieces during the life of the partnership:

- **A review of International Literature on Minimum Wages:** this review examined international academic literature on minimum wages over the previous 12 months and was included in the appendix of the Commission's reports in 2016 and 2017.
- **A study of Sub-Minimum Wage rates for Young People:** This report by the ESRI provided an overview of sub-minimum wage rates for young people both in terms of incidence and impact. The ESRI found that over two-thirds of OECD countries have statutory minimum wages and that just under two-thirds of these have special rates for young people. This report played a significant role in informing the Commission's recommendations to Government on the sub-minima rates of the National Minimum Wage.
- **A study of Minimum Wage Employment in Ireland: The role of worker, household and job characteristics:** This study used Irish data from the Survey of Income and Living Conditions (SILC) to examine the factors underlying differences in the relative risk of being in receipt of the National Minimum Wage (NMW) among groups with relatively high rates of exposure to NMW employment, such as females, young people and non-Irish nationals. The results for Ireland were then compared with the UK. The study attempted to identify the factors driving a higher propensity of minimum wage employment among specific groups. The research aimed to understand the degree to which the likelihood of minimum wage employment is driven by factors such as personal characteristics (like education and experience), job conditions within particular occupations or factors related to household composition and caring responsibilities.
- **A scoping study on the feasibility of measuring the relationship between low pay and profitability in Ireland:** The Commission has been eager since its inception to develop a greater understanding of the relationship between low pay and firm level profitability. This scoping paper examined available data sources and concluded that the required data sets are not currently available in Ireland to undertake such an examination. It set out what data would need to be collected and made available for such a study to be attempted.

- **Estimating the Effect of an Increase in the Minimum Wage on Hours Worked and Employment in Ireland:** On 1<sup>st</sup> January 2016, the NMW increased by 50 cent from €8.65 to €9.15. Using data from the Quarterly National Household Survey (QNHS) for the years 2015 and 2016, the ESRI estimated the effect of the increase in the minimum wage on hours worked and the likelihood of job losses among low-paid workers using a difference in difference estimator. This data was further updated for the increase in the NMW of 10 cent from €9.15 to €9.25 on 1 January 2017.
- **An Examination of the Labour Market Transitions of Minimum Wage Workers in Ireland:** This study used a new measure of minimum wage employment in Ireland, taken from the QNHS, to assess the degree to which individuals in receipt of the NMW transition in and out of NMW employment, over a period of three quarters in 2016 and 2017.
- **The Impact of a change in the National Minimum Wage on the distribution of hourly wages in Ireland:** In this study the ESRI investigated the effect of the 2016 increase in the NMW (from €8.65 to €9.15) on the distribution of hourly wages. The results showed clear impacts centred around the new minimum wage levels for all workers and separately for males, females and young people.

## Steering Committee

During the first term of the Commission the ESRI partnership was governed by a Steering Committee, comprising two members of the Commission, two senior members of the ESRI, and an independent member from the CSO. The Steering Committee was established in January 2016 and was chaired by Mary Mosse. The Committee met three times in 2016, twice in 2017 and three times in 2018.

The Steering Committee provided high-level oversight of the partnership and determined the work-plan for the programme, including the topics and time-lines of the projects.

### Steering Group Members

- Mary Mosse, LPC (Chair)
- Donal O'Neill, LPC
- Seamus McGuinness, ESRI
- Helen Russell, ESRI
- Brian Ring, CSO

## Consultation Process

For each of its annual reports, the Commission has undertaken a consultation process in which it has sought to hear the views of employer groups, unions, employee representative groups and individual employers and employees on the appropriate rate of the National Minimum Wage. Consultation processes have also been undertaken for reports on the sub-minima rates of the National Minimum Wage, the preponderance of women on the National Minimum Wage and the allowances provided for board and lodgings under the National Minimum Wage. During the course of these campaigns the Commission has taken out advertisements in print and digital media and run radio advertisements in both local and national radio.

As part of the consultation process the Commission has also organised oral hearings where those who have made submissions and members of the public meet with the Commission for question and answer sessions. To date the Commission has held such meetings in Monaghan, Galway and Kerry, and in Dublin.

## Meetings

In total, the Commission met on 28 occasions during its first term. These meetings are used to draft reports, review data and statistics and finalise recommendations. In 2017 and 2018 the Commission hosted a research day in which individuals or organisations which have produced research in areas which the Commission deems relevant to its work have been invited to present papers and engage in a questions and answers session with the members. The Commission has also sought to develop relationships with bodies engaged in setting the minimum wage in other countries in an effort to share knowledge and review other systems. To this end the Commission has met on several occasions with representatives of the United Kingdom Low Pay Commission and also had discussions with representatives of the Australian Fair Work Commission, the German and French Minimum Wage Commissions.

## Reports and Recommendations

The Commission has produced the following reports on the appropriate rate of the National Minimum Wage:

- 1) Recommendations for the National Minimum Wage (2016)** – A majority of the Commission members recommended increasing the NMW by 50 cent from €8.65 to €9.15. The members opposed to this recommendation produced minority reports outlining the reasons for their opposition. The Government accepted the Commission's

recommendations and the new rate took effect from 1 January 2016. This represented the first increase in the NMW since July 2011.

- 2) **Recommendations for the National Minimum Wage (2017)** – A majority of the Commission members recommended increasing the NMW by 10 cent from €9.15 to €9.25 per hour. The members opposed to this recommendation produced minority reports outlining the reasons for their opposition. The Government accepted the Commission’s recommendations and the new rate took effect from 1 January 2017.
- 3) **Recommendations for the National Minimum Wage (2018)** – A majority of the Commission members recommended increasing the NMW by 30 cent from €9.25 per hour to €9.55 per hour. The members opposed to this recommendation produced minority reports outlining the reasons for their opposition. The Government accepted the Commission’s recommendation and the new rate took effect from 1 January 2018.
- 4) **Recommendations for the National Minimum Wage (2019)** – The members of the Commission unanimously supported increasing the NMW by 25 cent to €9.80. The Government accepted the Commission’s recommendation and the new rate took effect from 1 January 2019.

Since its establishment the Commission has recommended increases in the National Minimum wage of €1.15 from €8.65 to €9.80 per hour. This represents an increase of 13.3%. According to the most recent data available from Eurostat, Ireland currently has the second highest National Minimum Wage in Europe. When purchasing power standards are taken into account Ireland ranks 6<sup>th</sup> in Europe.

#### **Adjustments to the NMW on foot of LPC recommendations**

<b>Date</b>	<b>Rate</b>	<b>Increase in NMW</b>	<b>% Increase</b>
<b>July 2011*</b>	€8.65	-	-
<b>January 2016</b>	€9.15	€0.50	5.8%
<b>January 2017</b>	€9.25	€0.10	1.1%
<b>January 2018</b>	€9.55	€0.30	3.2%
<b>January 2019</b>	€9.80	€0.25	2.6%

\*Last rate adjustment before the establishment of the Low Pay Commission

## ***Related Matters***

In addition the Commission has, at the request of the Minister, examined and reported on the following related matters:

- 5) The preponderance of women on the National Minimum Wage** – The Commission was asked, as part of its 2016 work programme, to examine the underlying reasons behind the preponderance of women on the NMW (approximately 54% of NMW workers are female according to the latest available data). The Commission concluded that based on all available evidence, roughly one third of the imbalance could be attributed to caring responsibilities.
- 6) Report on the Sub-minima rates of the National Minimum Wage (Part 1)** – The Commission reviewed the sub-minima (special training and youth rates) of the minimum wage as part of its 2016 work programme. At the time, no data was available as to how many people were impacted by the sub-minima rates. The Commission therefore chose to delay making its recommendations until this data was available from the QHNS.
- 7) The Allowances provided for Board and Lodgings under the National Minimum Wage** – The Commission reported its views and recommendations on the allowances provided for board (food) and lodgings (accommodation) in May 2017. The allowances had remained unchanged since their introduction as part of the National Minimum Wage in 2000. The Commission recommended moving the method of calculation for board from a weekly/daily rate to an hourly rate. This recommendation was accepted by the Government and implemented as part of Budget 2018.
- 8) Report on the Sub-minima rates of the National Minimum Wage (Part 2)** – Having received data from the CSO QNHS in April 2017 relating to the number of employees impacted by the sub-minima rates of the National Minimum Wage, the Commission submitted part 2 of its report on the matter to Government in December 2017. The Commission's recommendations were to abolish the trainee rates, and simplify the youth rates by moving from experience-related to age-based rates. These recommendations were accepted by Government and have been brought into law through an amendment to the Minimum Wage legislation incorporated in the Employment Rights (Miscellaneous Provisions) Act 2018. It is anticipated that the provision will be commenced in early March 2019.

**9) The Length of time employees spend on the National Minimum Wage** – The Commission submitted its report into the length of time employees spend on the NMW in March 2018. The report was significantly restricted by the lack of accurate data available to the Commission on which to base its conclusions and recommendations. The Commission nonetheless did conclude that while the majority of employees move beyond the NMW within a year, a significant cohort remain on the NMW for a prolonged period of time.

## Chapter 3 Impact of Recommendations

Under the terms of the National Minimum Wage (Low Pay Commission) Act 2015 it is a requirement that:

*“The Commission shall once every 3 years report generally on the operations of this Act and, in particular, on the impact of any orders made under 10D on low pay, income distribution and employment costs.”*

The impact of NMW orders on each of the above will be examined in this chapter:

### Low Pay

In order to gain a better understanding of the impact of the Commission’s recommendations on low pay, the Commission requested the ESRI to examine the matter as part of its research partnership. Using SILC data for 2015 and 2016, the ESRI examined the impact of the change in the NMW on the distribution of earnings and inequality in Ireland. To do this they constructed a counterfactual wage distribution, which is an estimate of what the wage distribution would have looked like in 2016, in the absence of a minimum wage increase. By comparing the counterfactual distribution to the actual 2016 distribution, they were able to isolate the part of the wage distribution most affected by the minimum wage change.

The ESRI released its report on the topic, “The Impact of a Change in the National Minimum Wage on the Distribution of Hourly Wages in Ireland”, in July 2018. In the report they estimate that the increase in the minimum wage resulted in a two percent increase in the average hourly wage of workers earning between €6.50 and €11.50 per hour. The impacted wage range, i.e. those earning between €6.50 and €11.50, accounts for approximately the bottom 25 percent of the wage distribution.

The report estimates that in the absence of a NMW change, approximately 8.2 percent of male employees in 2016 would have earned on or below €9.15 per hour. However, following the NMW change, just 4.5 percent of male workers had an hourly wage in this range. Spill-over effects were also observed across different subgroups of workers. In 2016, the average male wage in the €7.50 to €11.00 range was €9.92 per hour, whereas in the absence of a minimum wage change, this would have been €9.69 per hour, thereby indicating that the minimum wage change increased the average male wage in this range by 2.3 percent.

The effect of the NMW increase for females was found to be similar to that of males. Following the NMW increase, 5.4 percent of females earned below €9.15 per hour compared to 9.9 percent if the NMW had not been increased. The NMW change also had a statistically significant effect on females earning in the range €6.50 to €11 per hour. While the average wage in 2016 was €9.82 per hour, it would have been €9.72 (1.2 percent lower) in the absence of a minimum wage change.

The report also allows us to gauge the impact of the NMW increase on young workers (defined as those aged 25 years or less). In 2016, approximately 17 percent of young workers earned €9.15 or less. However, the ESRI estimates that in the absence of a minimum wage change this would have been approximately 27 percent. However, there are fewer spill-over effects for young workers. The wage range in which the ESRI observed a statistically significant effect is concentrated between €6.50 and €9.50. The average wage in this range was €8.90 per hour. In the absence of an NMW change this would have been €8.59 per hour, approximately 3.5 percent lower.

## Income Distribution

The research carried out by the ESRI also allows the Commission to assess the extent to which its recommendations have impacted on the income distribution in Ireland. The results of the ESRI research study indicate that without the minimum wage change, approximately 10 percent of workers in 2016 would have earned on or below €9.15 per hour. However, following the increase in the minimum wage, just 6 percent of workers had an hourly wage in this range. Therefore, the minimum wage change resulted in a four percentage point reduction in the number of workers earning on or below €9.15 per hour.

In terms of wage inequality, the ESRI assessed the impact of the NMW change on wage dispersion by comparing the ratio of hourly wages of workers in the 90<sup>th</sup> and 10<sup>th</sup> percentiles and also the 75<sup>th</sup> and 25<sup>th</sup> percentiles. The ESRI paper<sup>1</sup> sets out its results in this area:

“In 2016 the P75/P25 was 2.17, indicating that the hourly wage of those in the 75<sup>th</sup> percentile was 2.17 times greater than those in the 25<sup>th</sup> percentile. The P75/P25 from our counterfactual distribution was higher at 2.25. This suggests that P75/P25 inequality would have been slightly higher without the increase in the minimum wage. Using this particular

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<sup>1</sup> McGuinness, S., Redmond, P. (2018) *The Impact of a change in the National Minimum Wage on the distribution of hourly wages in Ireland*, ESRI.

metric, inequality fell by approximately four percent as a consequence of the 2016 NMW increase. Likewise, our P90/P10 estimate in 2016 was 3.68, versus 3.98 for the counterfactual distribution, again indicating that the minimum wage increase was associated with a reduction in hourly wage inequality, this time in the order of eight percent using this metric. Therefore, our results suggest that the introduction of the 2016 NMW rate change resulted in a decrease in wage inequality.”

## **Employment Costs**

The Commission requested, as part of its research partnership agreement with the ESRI, that an examination be carried out regarding firm level profitability and low pay. An ESRI scoping paper on the matter concluded that the data sets are not currently available in Ireland to allow the relationship between low pay and profitability to be reliably assessed.

The ESRI further stated in its scoping paper that linked employer-employee data is available in many European countries which provides current information on earnings and facilitates research on a wide range of policy relevant areas. In the light of the enactment of data protection regulation, which can make access to data difficult, the Commission would urge both the CSO and the Data Protection Commissioner to take any necessary measures to ensure that relevant data sources are commissioned and can be made available to researchers in Ireland in order to ensure that appropriate studies can be carried out and the impact of decisions properly assessed.

## Chapter 4 Conclusion

As the first term of the Low Pay Commission concludes, this report fulfils the statutory obligation to report on the work of the Commission over its first three years. Completing this report has provided an invaluable opportunity for the members to examine the work undertaken by the Commission thus far. It has also allowed the members an opportunity to look to the future and to consider how the lessons learnt over the last three years can contribute to making the LPC a more effective body over the coming years.

Over the course of its three year history, the Low Pay Commission has made four recommendations to Government to increase the national minimum wage, the total increases amounting to €1.15, or 13.3%. The Government has accepted all of the LPC's recommendations. It is noteworthy that the 2019 NMW increase was recommended unanimously by all members of the Commission for the first time.

In addition, the Commission has been asked to examine other related matters and has presented reports to Government on matters such as the Sub Minimum Rates of the NMW (reduced age-based rates and rates that apply to trainees), the Preponderance of Women on the NMW, and the allowances provided for Board and Lodgings under the NMW.

The Commission is committed to its evidence-based approach to making recommendations to Government and in this context has worked hard to access high-quality data sources. The Commission has worked closely with the Central Statistics Office to improve minimum wage specific data availability and will continue to work closely with the CSO and any other bodies that can assist it over the coming years.

The Commission put in place a research partnership with the ESRI in 2015 and it has yielded a number of high-quality reports on matters related to the minimum wage and low pay in general. These reports have been pivotal in improving the knowledge base of the Commission and informing its deliberative process.

From the outset, the Commission has been aware of the importance of engaging with all stakeholders interested in its work. In this context, the annual consultation process is an important part of the decision-making process for the members and has proved to be an immensely constructive and enlightening undertaking

The Commission is very cognisant of the need to ensure compliance with NMW legislation and in this context has twice recommended that provision should be made for the display of basic entitlements in all places of employment where the minimum wage is in operation.

In 2017 & 2018, the Commission also highlighted the PRSI anomaly created by the sudden increase in the rate of employers' PRSI from 8.6% to 10.85% on weekly earnings of €376. The Government responded to the LPC's recommendation and increased the PRSI threshold to €386 in Budget 2019. The LPC will continue to monitor this anomaly closely.

The Commission is looking forward to continuing its work whilst benefiting from the experience it has gained in its first term. The LPC is committed to exploring new research areas, to continually improve its consultation process, to finding new data sources, and to always seeking new and improved ways of bringing informed recommendations relating to the national minimum wage and related matters to Government.

## List of Reports produced by the Low Pay Commission – July 2015 to July 2018

1. Recommendations for the National Minimum Wage, *LPC No. 1 (2015)*
2. Recommendations for the National Minimum Wage, *LPC No. 2 (2016)*
3. Report on the Sub-minima rates of the National Minimum Wage (Part 1), *LPC No.3 (2016)*
4. The preponderance of women on the National Minimum Wage, *LPC No.4 (2016)*
5. The Allowances provided for Board and Lodgings under the National Minimum Wage, *LPC No. 5 (2017)*
6. Recommendations for the National Minimum Wage, *LPC No. 6 (2017)*
7. Report on the Sub-minima rates of the National Minimum Wage (Part 2), *LPC No. 7 (2017)*
8. The Length of time employees spend on the National Minimum Wage, *LPC No. 8 (2018)*
9. Recommendations for the National Minimum Wage, *LPC No. 9 (2018)*

