

# Call in for a Coffee



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## Labour Law

### New Minimum Wage Rates for Skills

On 27 February 2008, a new Labour Law (the Labour Protection Act (No 3) BE 2551) came into effect.

The new Law prescribes for a lot of administrative matters in relation to the Wage Committee's powers and duties, but the most striking feature of the new Law that should interest readers is the introduction of provisions prescribing for minimum wage rates for skills.

Up until 27 February 2008, the Labour Law prescribed only for minimum wage rates, but from that date, the Law now prescribes for both minimum wage rates and minimum wage rates for skills.

When considering the fixing of minimum wage rates, the Wage Committee is now required to study and consider the following factors in relation to the wages received by employees:

- Cost of living index;
- Rate of inflation;
- Standards of living;
- Costs of production;
- Prices of goods and services;
- Capacity of business;
- Labour productivity;
- Gross national product; and,
- Economic and social circumstances.

After considering the above, the new wage rate may be enforced on any specific type of business, work or profession, and enforced to any extent in any locality.

When considering the fixing of minimum wage rates for skills, the Wage Committee is additionally required to study and consider the prescribed skill standards, (including required skills, knowledge and ability) and the minimum wage rates for skills shall not be lower than the minimum wage rates.

Notifications of the minimum wage rates or minimum wage rates for skills according to skill standards are

enforceable on employers and all employees without discrimination.

The Labour Inspector will send notifications of the minimum wage rates or minimum wage rates for skills to employers who shall be required to post the notices in a conspicuous place throughout the period that the notices are enforceable in order to ensure that all employees know about the wage rates.

When a notification of the minimum wage rates or the minimum wage rates for skills is issued, no employer shall pay wages to employees less than the minimum amounts so notified.

### House Sale Tax Incentives

On 22 April 2008, the Cabinet approved a proposal to reintroduce tax incentives similar to those that were in place for the three years ended 31 December 2003 and the two years ended 31 December 2007.

The incentives apply to sales of second-hand houses by individuals, and whilst the incentives have not yet been enacted into law, it has been announced that the reintroduced incentives will apply to coincide with the property conveyance tax cuts under the stimulus package, i.e. from 29 March 2008 to 28 March 2009.

For the one-year period, 29 March 2008 to 28 March 2009, transfer fees are cut from 2.0% to just 0.01% of the appraised value of the Land Department.

For the same one-year period, mortgage registration fees have also been cut from 1.0% to just 0.01%.

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