



GLOBAL  
EMPLOYER  
GUIDE

**JERSEY**





## Basic Country Facts

### Full name

- Bailiwick of Jersey

### Capital

- Saint Helier

### Main Languages

- English
- French

### Population

- 106,800

### Monetary unit

- Pound sterling

### Internet domain

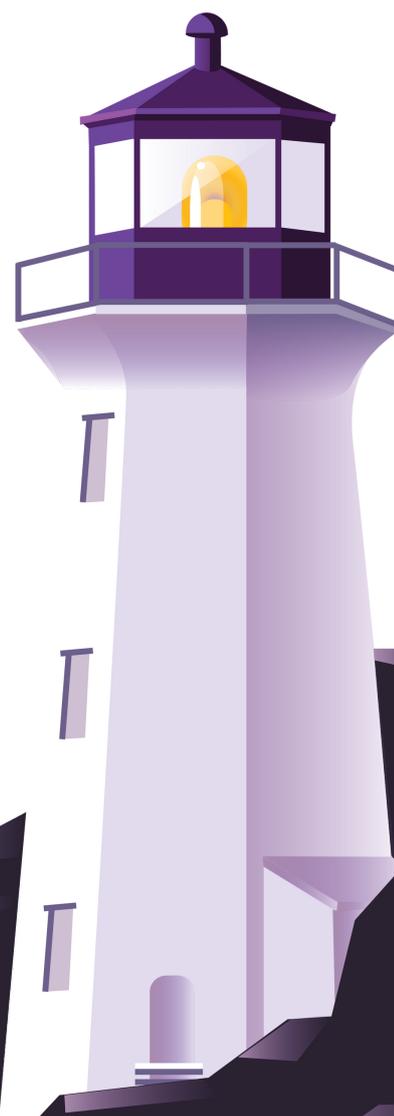
- .je

### International dialing code

- +44

### Currency

- Pound sterling



# STATUTORY LABOR REQUIREMENTS

## Probation Period

- The probationary period is of 4 weeks

## Annual Leave

- An employee shall be entitled to a period of leave of 2 weeks or to such other period as may be specified in a relevant agreement, whichever shall be the longer

## Public Holidays

- New Year's Day (1st January)
- Good Friday (10th April)
- Easter Monday (13th April)
- May Bank Holiday (4th May)
- Public Holiday (8th May)
- Liberation Day (9th May)
- Spring Bank Holiday (25th May)
- Summer Bank Holiday (31st August)
- Christmas Day (25th December)
- Boxing Day (28th December)

## Maternity Leave

- All new parents will be entitled to 52 weeks of parental leave, including 6 weeks of paid leave, on the condition that a new parent informs their employer of their intention to take such leave 15 weeks before the expected week of childbirth.

## Paternity Leave

- All new parents will be entitled to 52 weeks of parental leave, including 6 weeks of paid leave, on the condition that a new parent informs their employer of their intention to take such leave 15 weeks before the expected week of childbirth.



## **Sick Leave**

- The right of employees to take time off work or to receive pay for illness or injury is governed by contract.
- There is no statutory right to time off due to sickness other than the general protection against unfair dismissal. Some employers provide a certain level of support.
- Short Term Incapacity Allowance (STIA) is a benefit which may be paid to you if you can't work due to illness or injury.
- STIA can be paid for a minimum of two days and a maximum of 364 days.
- The first certificate in your claim can't cover more than 28 days.
- Your doctor may give you further certificates for a maximum of 13 weeks at a time if it's needed.

## **Work Hours**

- There are no limits on the number of hours' employees can be contracted to work in one day (however employers should bear Health & Safety legislation, safe working practices and any industry specific legislation or guidance in mind).
- An employee shall be entitled to an uninterrupted rest period of not less than 24 hours in each 7-day period during which the employee works for his or her employer.

## **Overtime**

- Overtime is covered by employment contracts



## Notice Period

- Except where the employee is on a fixed-term contract of employment, and provided that the employee has worked for the employer for eight hours or more in any week, the minimum notice period to be given by the employer must be the following (for the following periods of continuous employment):
  - Less than two years: one week's notice.
  - More than two years but less than three years: two weeks' notice.
  - More than three years but less than four years: three weeks' notice.
  - More than four years but less than five years: four weeks' notice.
  - More than five years but less than six years: five weeks' notice.
  - More than six years but less than seven years: six weeks' notice.
  - More than seven years but less than eight years: seven weeks' notice.
  - More than eight years but less than nine years: eight weeks' notice.
  - More than nine years but less than ten years: nine weeks' notice.
  - More than ten years but less than 11 years: ten weeks' notice.
  - More than 11 years but less than 12 years: 11 weeks' notice.
  - More than 12 years: 12 weeks' notice.
- The minimum period of notice to be given by an employee to an employer is:
  - Less than five years' service: two weeks' notice.
  - Five years of service or more: four weeks' notice.
- The contract of employment can provide for a longer period of notice but notice periods cannot be shorter than the minimum provided by the law.

- The employee is always entitled to at least the statutory minimum notice period, whether or not it is provided in the contract of employment.

## Severance

- If a dismissal is fair there will be no severance payment due to the employee unless the dismissal is for reason of redundancy
- If the dismissal was unfair the employee may be entitled to a compensatory award
- The monetary awards of the Jersey Employment Tribunal are limited to up to 26 weeks' pay for a finding of unfair dismissal (which accumulates on a sliding scale) namely:
  - Less than six months' service if automatically unfair or at the discretion of the tribunal: up to four weeks' pay.
  - Six to 12 months' continuous service: four weeks' pay.
  - Over 12 months' service but less than 24 months' service: eight weeks' pay.
  - Over 24 months' service but less than 36 months' service: 12 weeks' pay.
  - Over 36 months' service but less than 48 months' service: 16 weeks' pay.
  - Over 48 months' service but less than 60 months' service: 21 weeks' pay.
  - Over five years' service: 26 weeks' pay.

## 13th Month

- 13th month pay is not mandatory in Jersey



## Income Tax

- Individuals who are resident and ordinarily resident in Jersey are liable to Jersey income tax on their worldwide income
- However, individuals who are resident but not ordinarily resident in Jersey are taxed on Jersey-source income, and overseas income is subject to tax to the extent that it is remitted to Jersey.
- A person who is not resident in Jersey is liable to Jersey income tax on Jersey-source income, except for some specific exemptions, including Jersey bank interest, interest received from a Jersey resident company, profits and earnings of the office of the director of a company, and dividends received from Jersey companies to the extent they are paid out of profits taxed at 0% on the company.
- Tax is payable at the rate of 20% on net income after allowances.

Income Tax	
Flat Rate	20%



# Social Security

- Employees are subject to social security contributions at a rate of 6% on their gross earnings, up to the monthly standard earnings limit of GBP 4,558 for 2020 (GBP4,442 for 2019).
- The rate of employer contributions is 6.5%, up to the same earnings limit.
- Employers also have to pay a 2.5% rate of social security on earnings above the monthly standard earnings limit, up to an upper earnings limit of GBP 20,800 for 2020 (GBP14,686 for 2019).
- Self-employed individuals are required to contribute at a rate of 12.5%, up to the standard earnings limit and also 2.5% on their earnings above this up to the upper earnings limit.

Contribution	Employer	Employee	Self-employed
Social Security Contributions	6.5%	6%	12.5%



# Deductible Expenses

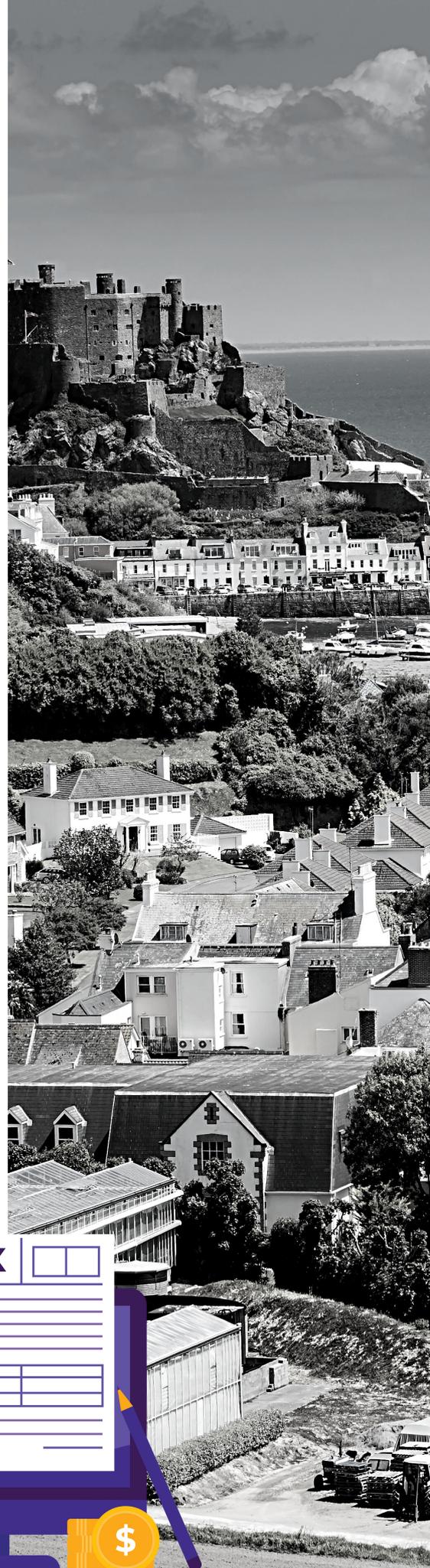
## Personal Deductions

- Pension contributions made to approved schemes are allowable up to the lower of GBP 50,000 or relevant earnings.
- However, relief is restricted for individuals whose income is GBP 150,000 or more by the withdrawal of GBP 1 of relief for every GBP 1 of income above GBP 150,000.
- Professional subscriptions.
- Interest relief is available for loans taken out for a 'qualifying purpose'.
- Interest paid on a mortgage on a principal private residence is deductible for those paying the marginal rate of taxation, subject to certain conditions.

## Personal Allowance

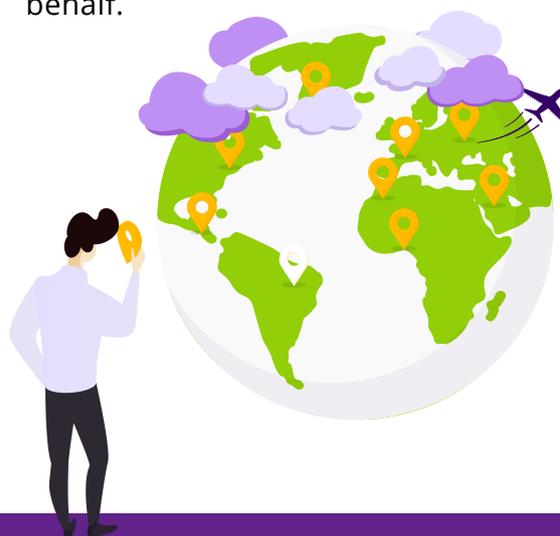
- Jersey residents are currently entitled to various personal allowances.
- These allowances are time apportioned for individuals who arrive in, or depart from, the island part way through the tax year.
- Non-residents are not entitled to Jersey personal allowances.
- Allowances for 2020 are as follows:

Allowances	GBP
Child allowance (per child)	3,000
Single parent allowance	4,500
Exemption limit: Single person	15,900
Exemption limit: Married person/civil partner	25,500
Loan interest relief for main Jersey residence	9,000 (max)



# Immigration

- Non-European Economic Area (EEA) nationals wishing to work in Jersey must obtain work permits through their intended employers.
- The Jersey Customs and Immigration Department issues permits to employers who demonstrate that they are unable to fill a vacancy locally, or to foreign persons who are free of permit restrictions.
- A visa or entry certificate is also required and is available from the British high commission, embassy or consulate in the country where the person lives.
- Work permits may also be issued to people with specialist skills if their appointment is of particular benefit to the island or to foreign nationals who are free of work permit restrictions in the United Kingdom.
- In addition, under the Control of Housing and Work (Jersey) Law 2012, an employer must apply for a license to engage any person who has not worked in Jersey for at least five years to fill a vacancy within an existing undertaking.
- British subjects and nationals of the member states of the EEA, which includes the EU, do not require work permits (although employers on the island are required to obtain licenses to employ them) and, in the majority of cases, may enter and exit Jersey freely.
- The Jersey visa requirements are the same as the UK visa requirements.
- Neither the points based system nor the highly skilled migrant programme have been adopted in Jersey.
- Therefore, an employer will need to submit a work permit application on your behalf.



Type of Visa/ Permits	Documentation	Validity	Eligibility
<b>Work Permit</b>	<ul style="list-style-type: none"> <li>• A completed application form</li> <li>• CV</li> <li>• Proof showing that advertisements were made to hire resident individuals</li> <li>• Fee</li> <li>• Copy of the personal details page of the proposed employee's passport</li> <li>• A draft contract of employment or details of the terms and conditions (must show net salary)</li> </ul>	Maximum 3 years (5 years for medical doctors)	<ul style="list-style-type: none"> <li>• Non-European Economic Area (EEA) nationals wishing to work in Jersey must obtain work permits through their intended employers.</li> <li>• The Jersey Customs and Immigration Department issues permits to employers who demonstrate that they are unable to fill a vacancy locally, or to foreign persons who are free of permit restrictions.</li> </ul>

## Value Added Tax (VAT)

- The standard rate of GST is 5%.

VAT	
Standard Rate	5%

## Withholding Tax

### Dividends

- Dividends paid to a resident or nonresident are not subject to withholding tax

### Interest

- Interest paid by a company to a resident or nonresident is not subject to withholding tax
- In particular, interest paid by a Jersey bank is not subject to withholding tax.
- Interest paid by a Jersey resident individual may be subject to a 20% withholding tax in certain cases

### Royalties

- Royalties paid by a company to a resident or nonresident are not subject to withholding tax
- Royalties paid by a Jersey resident individual may be subject to a 20% withholding tax in certain circumstances

### Fees for Technical Services

- Fees for technical services paid to a resident or nonresident are not subject to withholding tax



Type of Payment	Residents		Nonresidents	
	Company	Individual	Company	Individual
Dividends	0%	0%	0%	0%
Interest	0%	0%	20%	20%
Royalties	0%	0%	20%	20%
Technical Service Fee	0%	0%	0%	0%



## Termination

- In determining whether the dismissal of an employee is fair or unfair the employer must show that the reason (or if more than one, the principal reason) for the dismissal is one that justifies the dismissal, namely:
  - Capability.
  - Qualifications.
  - Conduct.
  - Redundancy (which is defined).
  - Continuing the employment would be unlawful.
  - Some other substantial business reason which justifies the dismissal.
- Except where the employee is on a fixed-term contract of employment, and provided that the employee has worked for the employer for eight hours or more in any week, the minimum notice period to be given by the employer must be the following (for the following periods of continuous employment):
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- If a dismissal is fair there will be no severance payment due to the employee unless the dismissal is for reason of redundancy
- If the dismissal was unfair the employee may be entitled to a compensatory award





- The monetary awards of the Jersey Employment Tribunal are limited to up to 26 weeks' pay for a finding of unfair dismissal (which accumulates on a sliding scale) namely:
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## Statutory Benefits

- These are mandatory benefits as postulated by law
- These include probationary period, annual leave, public holidays, maternity leave, paternity leave, and severance pay.
- Statutory benefits also include social security benefits

### Statutory Benefits

Probationary Period

Annual Leave

Public Holidays

Maternity Leave

Paternity Leave

Severance Pay

Social Security Benefits

## Payments and Invoicing

- The Jersey tax year is the calendar year.
- Tax returns are issued in January following the end of the tax year.
- The filing deadline for these returns is the 31 May for paper filing and 31 July for electronic filing.
- A penalty of GBP 300 is imposed on returns filed late.
- Where a return remains outstanding after three months, a penalty of GBP 50 will be imposed every month the return remains outstanding, up to a maximum of nine months.
- There is a joint tax return filing for married couples.
- The income of a married woman, living with her husband, is deemed to be that of her husband.
- A married woman is treated as living with her husband unless there is a permanent separation.
- Jersey income tax is calculated and collected via an income tax assessment.
- These are issued by the taxes office following the submission of the tax return form.
- The tax payment deadline is 30 November.
- Any tax unpaid at that date is subject to a surcharge of 10%.
- New legislation introducing late payment interest is expected imminently, and we are awaiting its enactment to confirm what rate this will be at.
- A payment on account for the next tax year is due the following 31 May.
- This is based on the previous year's liability.
- For a person with no employment earnings, the amount payable is 50% of the previous year's liability.
- For a person whose earnings comprise 25% or less of their total income, the percentage is 40%.
- There is a withholding tax (WHT) scheme in place that applies to employees.
- This is known as the Income Tax Instalment System (ITIS).



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