2024

LOW PAY COMMISSION

AN COIMISIÚN UM PÁ ÍSEAL

# Report on Sub-minimum Youth Rates

March 2024

LPC NO. 20 (2024)

# Contents

# Acknowledgements

The Low Pay Commission would like to thank Paul Redmond, Elisa Staffa, Klavs Ciprikis, Seamus McGuinness, and Oisín Gilmore for their work in preparing the Economic and Social Research Institute report on "Sub-Minimum Wages in Ireland" for the Low Pay Commission. This proved to be a valuable resource and informed our decision making and recommendations. This study accompanies this report.

The Low Pay Commission would like to thank Kevin Duffy BL for the legal advice he provided to the Commission.

The Low Pay Commission would like to acknowledge and thank the members of the Low Pay Commission Sub-Minimum Youth Rates Working Group, Tim Callan (Chair of the Working Group, who served on the Low Pay Commission from October 2021 to December 2023), Fionnuala Ní Bhrógáin, and Dawn Wynne, for the work they have carried out examining these issues in 2023.

We also wish to thank the Secretariat, Marcus Breathnach, Claire Pyke, Oisín Gilmore, Shane O'Connor, and Chris Smith, for greatly facilitating our work. We would like to thank Oisín Gilmore for drafting this report.

# Executive Summary

- On 28 February 2022, the then Tánaiste and Minister for Enterprise, Trade and Employment Leo Varadkar, T.D., wrote to Ultan Courtney, Chairperson of the Low Pay Commission (LPC), under section 10C(4)a of the National Minimum Wage Act 2000. The letter stated: "Recently there has been some debate relating to youth rates of the national minimum wage, including a Private Member's Bill which seeks to remove such rates. I am aware that the Commission has examined and reported on this topic in 2017 but I now feel it necessary to revisit the issues involved. In this context I would ask that the Commission examine the issues around retaining or removing the youth rates and to make recommendations on the subject."
- In response to the Tánaiste's letter, the Low Pay Commission commissioned a background research report on the issue of sub-minimum youth rates as part of the LPC-ESRI research partnership agreement. This study on "*Sub-minimum wages in Ireland*" was published on November 2, 2023.
- In June 2023, the Commission invited stakeholders to make a written submission to a consultation on this matter. This consultation closed in July 2023.
- In its examination of the issues around retaining or removing the youth rates, the Low Pay Commission has drawn on both the "*Sub-minimum wages in Ireland*" report and the stakeholder consultation. It has also given consideration to the development of policy in relation to sub-minimum youth rates in Ireland and at a European level.
- A wide range of options for the future of sub-minimum youth rates in Ireland were discussed by the Low Pay Commission. Conclusions regarding its recommendations were made in two stages. Initially, agreement regarding sub-minimum youth rates for those aged over 18 was reached by the Commission. Subsequently, agreement regarding sub-minimum youth rates for those aged under 18 was reached by the Commission.
- When considering the timelines for any changes to the operation of youth rates, the Commission recognises that this is a complex issue that will require the full deliberation and consideration of Government and may require further legal advice and consultation with stakeholders.
- On the basis of its extensive examination of the issues around sub-minimum youth rates, the Low Pay Commission has unanimously agreed to the following recommendations:

A. The Low Pay Commission recommends that sub-minimum wage rates for employees who are 18 and 19 years of age should be abolished no sooner than 1 January 2025.
B. The Low Pay Commission recommends that sub-minimum wage rates for employees who have not attained the age of 18 years should be abolished no sooner than 1 January 2025.
C. The Low Pay Commission recommends that if youth rates are abolished, after these rates have been abolished for two years, that a study be conducted to evaulate if there were adverse consequences from removing sub-minimum rates, in particular for those aged under 18. Should a significant adverse outcome be identifed, the study should review the full range of policy options available to Government. This study should be submitted to Government and be given due consideration, with the resulting Government decision notified to the Low Pay Commission. A subsequent follow up study should be commissioned after youth rates have been abolished for four or more years using the longer data series then available.
D. The Low Pay Commission, similar to its recommendation in its Living Wage Report (2022), recommends that consideration is given to how employers with a substantial proportion of young workers in receipt of sub-minimum wages can be supported during and after the period in which youth rates are abolished, if they are abolished.

# Chapter 1 Introduction

When the National Minimum Wage was introduced in 2000, it provided for an age-based rate for under 18s at 70% of the prevailing rate. It also provided for complex experienced-based rates for job entrants involving a sliding scale of the national minimum hourly rate. It also provided for training rates for employees undergoing a prescribed course of study or training authorised by their employer.

In 2017 the Low Pay Commission undertook a review of the sub-minimum rates as part of its work programme.

Following on from this review, the Commission recommended abolishing the training rates and simplifying the other sub-minimum rates by moving to exclusively age-related, as opposed to experience-based, rates. The Commission's recommendations were accepted by Government and were introduced as part of the Employment (Miscellaneous Provisions) Act 2018[1]. The Commission commissioned research by the Economic and Social Research Institute (ESRI) and consulted widely on this matter before making its recommendations.

The new age-based sub-minimum rate system came into force in March 2019. Under these rates, workers aged less than 18 years can be paid 70% of the full National Minimum Wage rate, while those aged 18 years and 19 years can be paid 80 and 90% of the full rate respectively. The current age-based rates are provided in Table 1.1.

**Table 1.1: Current rates of the NMW**

| | Category of Worker | Effective from 1 Jan 2024 | % of minimum wage |
|---|---|---|---|
| Adult Rate | Experienced adult worker | €12.70 | 100 % |
| Age-based Rates | Aged 19 | €11.43 | 90 % |
| | Aged 18 | €10.16 | 80 % |
| | Aged under 18 | €8.89 | 70 % |

*Source: See Appendix D for details regarding the calculation of the minimum wage.*

On 28 February 2022, the then Tánaiste and Minister for Enterprise, Trade and Employment Leo Varadkar, T.D., wrote to Ultan Courtney, the Chairperson of the Low Pay Commission (LPC) under section 10C(4)a of the National Minimum Wage Act

[1] *Employment (Miscellaneous Provisions) Act 2018,* Dublin: Stationery Office.

2000.[2] The letter stated: "Recently there has been some debate relating to youth rates of the national minimum wage, including a Private Member's Bill which seeks to remove such rates. I am aware that the Commission has examined and reported on this topic in 2017 but I now feel it necessary to revisit the issues involved. In this context I would ask that the Commission examine the issues around retaining or removing the youth rates and to make recommendations on the subject."[3]

In response to the Tánaiste's letter, the Low Pay Commission commissioned a background report on the issue of sub-minimum youth rates as part of the LPC-ESRI research partnership agreement. This study on "*Sub-minimum wages in Ireland*" was published on November 2, 2023.[4] In June 2023, the Commission invited stakeholders to make a written submission to a consultation on this matter. This consultation closed in July 2023.

[2] *National Minimum Wage Act 2000,* Dublin: Stationery Office.
[3] It is also worth noting that in March 2023, the Low Pay Commission submitted its "Report on the Living Wage" to the Tánaiste. In it the Low Pay Commission stated that "The LPC believes that the existing National Minimum Wage youth rates should also be applied to a living wage." However, the LPC also recommended the preparation of a report examining the issues around youth rates. And that "informed by this report, the LPC should make a recommendation to the Minister for Enterprise, Trade and Employment on this subject.". Low Pay Commission (2022), *Living Wage Report*. Dublin: Low Pay Commission, p.9.
[4] Redmond, P., Staffa, E., Ciprikis, K., McGuinness, S. and Gilmore O. (2023), *Sub-minimum wages in Ireland*. ESRI Research Series 167, Dublin: ESRI.

# Chapter 2 The Introduction and Development of Sub-Minimum Rates in Ireland

Following the June 1997 election, a new Fianna Fáil / Progressive Democrats Government was formed. In their Programme for Government, “Action Programme for the Millennium”, the “introduction of a national minimum hourly wage” was listed as a key priority. On 18 July 1997, a National Minimum Wage Commission (NMWC) was appointed by the Government to consider how to progress with this policy aim.

## 2.1 National Minimum Wage Commission Report (March 1998)

On March 30th, 1998, the National Minimum Wage Commission (NMWC) provided a two-volume report to Tánaiste Mary Harney, with the second volume containing the ESRI study “Low Pay in Ireland” prepared by Brian Nolan.[5]

The key recommendation of this report was to introduce a minimum wage stating the “initial rate for the national minimum wage should be set at around two thirds of median earnings”. It observed that “23% of employees currently earn less than this amount”.[6] The report also recommended allowing for sub-minimum wages. The report stated:

> *Two of the key concerns in recommending a structure for the national minimum wage have been to a) avoid any measure which would encourage early school leaving and b) through the minimum wage to promote and encourage employers to focus on training employees while at the same time recognising the cost to employers in terms of time invested and productivity forgone.*

The Commission therefore recommended that:

- *There should be a separate rate for under 18s set at 70% of the full rate, and*
- *A separate training rate for job entrants without experience regardless of age.*

---

[5] National Minimum Wage Commission (NMWC) (1998a), *Report of the National Minimum Wage Commission 1.* Dublin: Department of Enterprise, Trade and Employment and National Minimum Wage Commission (NMWC) (1998b), *Report of the National Minimum Wage Commission 2.* Dublin: Department of Enterprise, Trade and Employment.

[6] The report, prepared in 1997, noted that “in today’s terms, two thirds of median earnings would represent £4.40 per hour”. This calculation was based on the calculation that median earnings in 1994, using the Living in Ireland Survey, were £6.00 and that median earnings had increased by 10% between 1994-1997 (NMWC 1998b: 8-9, 38-39). This gives a median wage of £6.60 for 1997, two-thirds of which is £4.40. This £4.40 minimum wage was implemented in 2000.

*The reduced training rate should apply to job entrants, apprentices and trainees on the basis of a sliding scale. In the first year employees should be paid 75% of the full rate with 80% and 90% of the full rate in the second and third year respectively.*

*To ensure that employers build in training elements in the first years of employment it is recommended that the training elements be identified by the employers in a statement in the employees terms and conditions of employment. If no such statement is provided to the employee the employer will be required to pay the full rate.*[7]

The evidence presented in the NMWC report regarding the reduced rate for those aged under 18 pointed in a few separate directions. The report stated that "evidence in the U.S. suggest that high minimum wages would also increase the incentive for young people to leave school early." Other evidence highlighted the risk of employment losses if the minimum wage was too high for younger workers. The OECD's submission to the NMWC stated that "Employment of young and inexperienced workers may be particularly vulnerable to a high level of the minimum wage."[8]

## 2.2 Final Report of the Inter-Departmental Group on the Implementation of a National Minimum Wage (May 1999)

Following the Government's receipt of the National Minimum Wage Commission Report in March 1998, it established an Inter-Departmental Group on the Implementation of a National Minimum Wage. This commissioned a further study by the ESRI and submitted its final report[9] in May 1999, which contained the ESRI study "The Impact of the Minimum Wage in Ireland"[10].

Regarding youth rates, the Inter-Departmental Group noted that while "further expansion of participation was a key element of education policy …a certain number of young people would continue to leave school" and that it was important to get "these

---

[7] National Minimum Wage Commission (NMWC) (1998a), *Report of the National Minimum Wage Commission 1,* pp.59-60.
[8] Ibid, p.67.
[9] Inter-Departmental Group on Implementation of a National Minimum Wage (IDGINMW) (1999), *Final Report of the Inter-Departmental Group on Implementation of a National Minimum Wage*. Dublin: Stationery Office.
[10] Ibid, pp.54-144.

young people into some form of employment, which, even if it was low paid, could act as a stepping-stone to better things". However, the group "found it extremely difficult to assess the extent to which these effects were likely to be produced by the under-18 rate recommended by the Commission." Therefore, the "Group's view was that a cautious approach should be adopted in this area".[11] Ultimately, the Inter-Departmental Group agreed with the NMWC that "a reduced rate of 70% … of the national minimum wage should apply to under 18s".[12]

The ESRI study suggested that the option of a reduced rate for young workers aged 18-20 should be considered. It said that this "would assist vulnerable sectors such as retailing and hotels/restaurants and would reduce the overall wage bill impact of the national minimum wage and ameliorate any impact on education participation for that age group."[13] However, noting that "such an approach would be contrary to the overall thrust of the recently enacted Employment Equality Act, 1998", the Inter-Departmental Group concluded that it should not recommend the adoption of a reduced rate for those aged 18-20.[14]

The Inter-Departmental Group also proposed an adjustment to the NMWC's recommendation for a reduced training rate for apprentices, job entrants and trainees. Instead of a single training rate for these three groups, it recommended that they be treated separately. Firstly, apprentices should be excluded from the scope of the national minimum wage. Secondly, for job entrants, it recommended that:

- *a reduced rate of 80% and 90% of the full rate in the first and second years, respectively, should apply to all those entering the labour market for the first time;*
- *employment under 18 years of age should not reckon for the purposes of this reduced rate;*
- *a reduced rate of 80% for one year should apply also to persons returning to employment who have not been in employment at any time in the previous three years; and*
- *the reduced rate should not apply ab initio to a person who changes jobs within the reduced rate period - only the unexpired portion of the period should apply in such cases.*[15]

[11] Ibid, p.26.
[12] Ibid, p.48.
[13] Ibid.
[14] Ibid.
[15] Ibid, pp.49-50.

Thirdly, with regard to trainees, the Inter-Departmental Group was "of the view that reduced training rates should only apply in respect of persons undergoing training leading to certification. Allowing a situation where an employer could effectively determine the extent and nature of training could lead to the possibility of widespread abuse of such a provision." The group also noted "The extent of training required varies from job to job varying from a number of hours to a number of weeks. The type of employment attracting a national minimum wage would, in general, not be consistent with one requiring any lengthier period of training." Therefore, the group recommended that the "reduced training rates should only apply in respect of persons undergoing training leading to certification." It recommended that the reduced rates "apply on a sliding scale of 75%, 80% and 90% in the first, second and third years respectively, or proportionately if the training is less than three years".[16]

## 2.3 National Minimum Wage Act 2000

These extensive deliberations ultimately led to the introduction of a national minimum wage with the *National Minimum Wage Act 2000*[17]. This Act largely implemented the recommendations of the Inter-Department Group. It made provision for:

- The exemption of certified apprentices from the national minimum hourly rate. (Section 5(b))
- A 70% rate for under 18s. (Section 14(b))
- A sliding scale of the national minimum hourly rate for job entrants. (Section 15)
    - An employee entering employment over the age of 18 for the first time was entitled to 80% for the first year of this employment, 90% for the second year, and 100% thereafter. This applied both in the case where an employee was entering the employment for the first time after turning 18 and where an employee was continuing in employment having turned 18.
- A sliding scale for employees undergoing a prescribed course of study or training authorised by their employer. (Section 16)
    - These employees were entitled to 75% for the first one third of the total study/training period, 80% for the second third, and 90% for the final third. Each of these thirds could not exceed a period of 12 months.
    - A further statutory instrument was passed requiring that the training must be provided within the normal working hours of the employee, be for a period of no less than 3 months, the course fees must be paid by the

[16] Ibid, p.50.
[17] *National Minimum Wage Act 2000*, Dublin: Stationary Office.

employer and the course must include an assessment and certification procedure or written confirmation of the employee's completion of the course.[18]

## 2.4 Low Pay Commission Deliberation on Sub-minimum Rates 2015-2017

After a period of eight years where the minimum wage did not increase above the 2007 rate of €8.65, the Low Pay Commission was established in 2015. Legislation was passed in July of the same year to give the Commission a statutory basis. It gave the Commission the primary function of making an annual recommendation "to the Minister regarding the national minimum hourly rate of pay, that is designed to assist as many low paid workers as is reasonably practicable, is set at a rate that is both fair and sustainable, … is adjusted incrementally, and, over time, is progressively increased, without creating significant adverse consequences for employment or competitiveness."[19]

The legislation also introduced a provision whereby the Minister could request the Commission to examine issues relating to low pay.[20] Later in 2015, the Commission was requested by the Minister to examine the sub-minima rates of the National Minimum Wage, and to report its findings and recommendations.[21] To this end, the Low Pay Commission asked the ESRI to research sub-minima rates in other countries, the effect of sub-minima rates on youth employment and what impact they have on education. This research was conducted by Elish Kelly and Seamus McGuinness and is set out in the paper "A Study of Sub-Minimum Wage Rates for Young People" (2017).[22]

It is worth reproducing the main findings of the report as it provided the evidentiary basis for the introduction of the sub-minimum youth rates system currently in operation in Ireland:

> *This report provides an overview of sub-minimum wage rates for young people, in terms of both incidence and impact. The study relies primarily on a review of*

---

[18] *S.I. No. 99/2000 - National Minimum Wage Act, 2000 (Prescribed Courses of Study or Training) Regulations, 2000,* Dublin: Stationary Office.
[19] *National Minimum Wage (Low Pay Commission) Act 2015,* Dublin: Stationary Office.
[20] Ibid.
[21] Low Pay Commission (2017), *Report on the Sub-Minima Rates of the National Minimum Wage (Part 2).* Dublin: Low Pay Commission.
[22] Kelly, E. and S. McGuinness (2017), *A study of sub-minimum wage rates for young people*. Dublin: ESRI and the Low Pay Commission.

*the relevant international literature and also provides contextual analysis specific to Ireland…*

*Over two-thirds of OECD countries have statutory minimum wages and, of these, just under two-thirds have special rates for young people. The evidence demonstrates that, in terms of their construction and design, youth rates are predominately expressed as some proportion of the adult minimum wage rate.*

*While most sub-minimum wage rates for young people are age-based, there are a few exceptions, such as France where the young person's experience levels are also taken into account. Where OECD countries have apprenticeship/trainee pay rates, the rates tend to be separate from their sub-minimum wage rates for young people. In addition, the rates are not restricted to youths.*

*In relation to the economic effects of sub-minimum wage rates, as with the international literature on minimum wages generally, the effects of the policy on young peoples' employment or continued education decisions, whether positive or negative, have been found to be small and weak, and sometimes insignificant.*

*It has been argued that paying all workers, irrespective of age, the same statutory national minimum wages would incentivise early school leaving. We find that the variation in early school leaving rates in Ireland follows a cyclical movement, rising when employment and earnings is high and falling when they are low. However, it is unclear to what extent the pattern relates to changes in the general levels of earnings, changes in minimum wages, variations in the unemployment rate, some combination of all three, or some other factors.*

*The Irish data from 2009 suggest that … a very small percentage, typically less than 0.5 per cent, of employees were in receipt of either the training or youth rates of the National Minimum Wage (NMW). Furthermore, the data revealed that less than 6 per cent of employees aged below 18 were in receipt of the youth rates.*[23]

A challenge for the Low Pay Commission in examining sub-minimum rates at this point was the poor-quality data available on minimum wage workers and on sub-minimum wage workers in particular. To this end the Low Pay Commission requested that the

[23] Ibid, pp.v-iv.

CSO include a "module in the Quarterly National Household Survey (QNHS) seeking specific data regarding the National Minimum Wage, together with data on sub-minima rates".[24] A pilot question was included in the Q2 2016 survey, and a question has been included in each QNHS/LFS[25] since then.

After examining the then existing sub-minimum rate structure, and the research produced on this question by the ESRI, the Low Pay Commission drew a number of conclusions.

It concluded in its October 2016 report that due to the lack of sufficient data, the fact that better data was forthcoming, and "*given the remit of the Commission to make its recommendations using an evidence-based approach, the Commission does not consider it appropriate to make recommendations in relation to the appropriateness of the current sub-minima rates at this stage."* Instead, the Commission stated it would *"submit its recommendations on this matter in a supplementary report when it has the opportunity to consider the validated data arising from the CSO's QNHS pilot survey."*[26]

The follow up "Report of the Low Pay Commission on the Sub-Minima Rates of the National Minimum Wage (Part 2)" was published over a year later in December 2017.[27] It drew on evidence from the minimum wage module in the QNHS and considered five options: (1) Keeping the then current system in place, (2) Abolishing training rates, (3) Abolishing youth rates, (4) Simplifying youth rates by setting 70%, 80%, and 90% rates for those aged under 18, 18, and 19 respectively, and (5) Retaining trainee rates, subject to the 'registration' of traineeships with, for example, the Enforcement Unit of the WRC.

From its consideration of the evidence presented in the ESRI study and in both Part 1 and Part 2 of its report, the Low Pay Commission drew four conclusions and made two recommendations. It concluded that:

- *The number of employees on sub-minima rates is very low.*

[24] Low Pay Commission (2016), *Report on the Sub-Minima Rates of the National Minimum Wage (Part 1),* Dublin: Low Pay Commission, p.14.
[25] The Quarterly National Household Survey (QNHS) has been replaced with the Labour Force Survey (LFS).
[26] Low Pay Commission (2016), *Report on the Sub-Minima Rates of the National Minimum Wage (Part 1), p.16.*
[27] Low Pay Commission (2017), *Report on the Sub-Minima Rates of the National Minimum Wage (Part 2).*

- *A significant number of OECD countries use various forms of sub-minima rates, including age-based rates.*[28]
- *There are a number of unsatisfactory aspects to the current operation of the trainee rates, including a lack of clear definitions.*
- *In comparison to other EU countries, Ireland has a high proportion of young people not in employment, education or training.*[29] [30]

The Low Pay Commission's two recommendations were to abolish the training rates and to simplify the youth rates. (It accepted options 2 and 4 above and rejected options 1, 3 and 5.)

In justifying its recommendation to abolish training rates, the Low Pay Commission observed:

> *The Commission is of the view that an employee should not receive less than the statutory minimum wage unless as part of a proper apprenticeship programme already approved by the State. The Commission has heard evidence in submissions of the training rates being paid in order to reduce wage costs rather than as part of a structured training programme. The lack of clear definitions around training rates leaves them open to abuse. In light of these considerations and the low usage of the training rates the Commission is of the view that training rates should be abolished. The Commission would encourage sectors to register for state approved apprenticeship programmes if they feel that a period of structured training is required.*[31]

In recommending "simplifying the youth rates", the Commission recommended maintaining the 70% rate for those aged under 18 and introducing new youth rates of 80% and 90% for those aged 18 and 19 respectively. It stated the rate for workers under 18 "acknowledges that under 18's have a statutory restriction on their working hours and conditions". The Commission justified abolishing the job entrant rates and introducing new reduced youth rates for those aged 18 and 19 stating: "Such a system would be administratively simpler from an employer's perspective as it does not

[28] Changing international practices and attitudes to sub-minima rates are discussed below.
[29] This has changed substantially since 2017. Looking at data for 2015, 14.3% of young people were not in employment, education, or training in Ireland, compared to the EU average of 12%. The comparable figures for Ireland in 2021 are 10.5%, well below the EU average of 13.7%. Eurostat (2023), *Young people neither in employment nor in education and training (NEET), by citizenship*. Brussels: Eurostat.
[30] Low Pay Commission (2017), *Report on the Sub-Minima Rates of the National Minimum Wage (Part 2)*, p.12.
[31] Ibid.

require an employer to establish the previous work history of an employee, while also ensuring that young people are able to gain access to the labour market."[32]

The recommendations of the Low Pay Commission were then introduced via Part 5 of the Employment (Miscellaneous Provisions) Act 2018 which replaces Sections 14 and 15 of the National Minimum Wage Act 2000.[33] This Act was passed in December 2018, with the new sub-minimum rates coming into force from 4 March, 2019.[34]

Today, the Act does not apply to the remuneration of "any non-commercial activity or work engaged in by prisoners"[35], close relatives or apprentices. The only sub-minimum rates provided for are the youth rates which are 90% for those aged 19, 80% for those aged 18 and 70% for those aged under 18. Current rates are provided in Table 1.1 above.

[32] Ibid. pp.12-13.
[33] *Employment (Miscellaneous Provisions) Act 2018,* Dublin: Stationary Office.
[34] *S.I. No. 69/2019 - Employment (Miscellaneous Provisions) Act 2018 (Commencement) Order 2019,* Dublin: Stationary Office.
[35] The exemption for prisoners was added by the *Prisons Act 2007,* Dublin: Stationary Office.

# Chapter 3 The Changing European Policy Context

At a European level, there are growing moves against youth sub-minimum wages.

This has been seen in (i) the 2023 conclusions by the Council of Europe's European Committee of Social Rights (ECSR) that Ireland is in breach of several labour rights provisions of the European Social Charter, (ii) the 2022 call by the Conference of the Future of Europe to put "an end to youth minimum wages and any other discriminatory labour law provisions specific to young people", (iii) the EU Directive on Adequate Minimum Wages. This Directive became law in 2022 and is due to be transposed into Irish law before the end of 2024. It requires that sub-minimum rates "respect the principles of non-discrimination and proportionality" and are in the "pursuit of a legitimate aim". Finally, (iv) increasingly other EU Member States are reducing or abolishing their sub-minimum youth rates.

Perhaps the most pressing of these developments is the EU Directive on Adequate Minimum Wages, which will be transposed into Irish law before the end of 2024.

## 3.1 Council of Europe's European Committee of Social Rights (ECSR)

The recent conclusions by the Council of Europe's European Committee of Social Rights (ECSR) found that Ireland is in breach of several labour rights provisions of the European Social Charter.[36] Specifically, the ECSR concluded that "the situation in Ireland is not in conformity with Article 4§1 of the Charter[37] on the ground that the minimum wage paid to workers of 18 years of age and 19 years of age does not ensure a decent standard of living."[38] The Committee states that "in order to ensure a decent standard of living within the meaning of Article 4§1 of the Charter, wages must be no lower than the minimum threshold, which is set at 50% of the net average wage."[39] The Committee calculated that in Ireland the 2020 "net minimum wage amounted to 52% of net average earnings of a single person." However, they observed that the lower minimum wage entitlements of those aged below 20 "fall below 50% of the average earnings and are, therefore, not sufficient to ensure a decent standard of living. Therefore, the situation is not in conformity with the Charter."

---

[36] European Committee of Social Rights (2022a), *Conclusions -Ireland 2022*, Strasbourg: Council of Europe.
[37] Under Article 4§1 of the European Social Charter, the parties undertake "to recognise the right of workers to a remuneration such as will give them and their families a decent standard of living".
[38] European Committee of Social Rights (2022a), *Conclusions -Ireland 2022*.
[39] Ibid, pp.14-15.

As noted in the ESRI Report, apart from Ireland, the ECSR found two other countries - Luxembourg[40] and Malta[41] - to be in breach of their labour rights obligations related to ‘the right to a fair remuneration’. While these countries provide a sub-minimum wage rate system, the non-conformity was not specifically related to the sub-minima rates but to the minimum wage per se, since the level was found to be below the 50% of average earnings threshold.

It should be noted that the recent ECSR conclusions were focused on the obligations concerning labour rights and did not examine all of Ireland’s obligations under the European Social Charter. Significantly, it did not examine Article 7 regarding the right of children and young persons to protection, and more specifically did not examine Article 7.5, which regards “the right of young workers and apprentices to a fair wage or other appropriate allowances”.[42] The ECSR has expanded on the interpretation of Article 7.5, stating that “Where young workers are concerned, there is not really any basic reason for not paying the same wage for the same output. However, it is not unthinkable that certain reductions may be justified, allowing for the fact that the needs of young workers are less than those of adults. Nevertheless, such reductions must not be too substantial and ought to be for a limited time.”[43]

The next ECSR conclusions will report on its findings regarding the European Social Charter obligations affecting children, families and migrants, including the obligations under Article 7.5. It is likely that without any change to Ireland’s sub-minimum rates system Ireland will be found to not be in compliance with Article 7.5. Since the creation of the minimum wage in 2000, the ECSR has found on numerous occasions that Ireland is not in conformity with the requirements of Article 7.5.[44] The reason given for this finding is that they argue that a sub-minimum wage for those between 16 and 18 must not be more than 20% below the adult rate, for those aged 15 to 16, the sub-minimum rate must not be more that 30% below the adult rate.[45]

---

[40] European Committee of Social Rights (2022b), *Conclusions XXII-3 - Luxembourg 2022.* Strasbourg: Council of Europe.
[41] European Committee of Social Rights (2022c) *Conclusions - Malta 2022.* Strasbourg: Council of Europe.
[42] Council of Europe (1996), *European Social Charter (Revised)*, European Treaty Series - No. 163, Strasbourg, 3.V.1996.
[43] European Committee of Social Rights (1971), *Statement of interpretation on Article 7§5,* Strasbourg: Council of Europe.
[44] The ECSR has found that Ireland was not in compliance with the requirements under Article 7.5 in 2004, 2006, 2011 and again in 2019. European Committee of Social Rights (2004), *Conclusions 2004 - Ireland - Article 7-5*, Strasbourg: Council of Europe; European Committee of Social Rights (2006), *Conclusions 2006 - Ireland - Article 7-5*, Strasbourg: Council of Europe; European Committee of Social Rights (2011), *Conclusions 2011 - Ireland - Article 7-5*, Strasbourg: Council of Europe; European Committee of Social Rights (2019), *Conclusions 2019 - Ireland - Article 7-5*, Strasbourg: Council of Europe.
[45] European Committee of Social Rights (2019), *Conclusions 2019 - Ireland - Article 7-5.*

## 3.2 Conference on the Future of Europe

The Conference on the Future of Europe arose from a proposal of the European Commission and the European Parliament in 2019. It involved a series of citizen-led debates and discussions between April 2021 and May 2022 looking at the medium to long-term future of the EU and what reforms should be made to its policies and institutions. The "Report on the Final Outcome" of the Conference, released in May 2022 included 49 proposals and 326 specifics.[46] Of these one measure reads:

> *Ensure that young people's internships and jobs adhere to quality standards, including on remuneration, putting an end to youth minimum wages and any other discriminatory labour law provisions specific to young people, as well as banning through a legal instrument unpaid internships on the labour market and outside formal education.*[47]

The Conference on the Future of Europe proposals have been broadly positively received. On 17 June 2022, the European Commission published a communication offering a detailed assessment of what is needed to follow up on the Conference's proposals.[48] Many of the Conference's proposals were incorporated into the European Commission's work programme for 2023, which was published on 18 October 2022.[49] On 10 June 2022, the General Secretariat of the Council published a preliminary technical assessment of the proposals and related specific measures.[50] In this assessment, the General Secretariat noted in response to the Conference on the Future of Europe's proposal to put "an end to youth minimum wages and any other discriminatory labour law provisions specific to young people" that "the Directive on adequate minimum wages adopted on 4 October 2022 establishes obligations of a procedural nature."[51]

---

[46] Council of the European Union, General Secretariat of the Council (2022), *Conference on the Future of Europe: Report on the final outcome: May 2022*, Publications Office of the European Union.
[47] Ibid, p.90.
[48] European Commission (2022a), *Conference on the Future of Europe: Putting Vision into Concrete Action*, Publications Office of the European Union.
[49] European Commission (2022b), *Commission work programme 2023: A Union standing firm and united*, Publications Office of the European Union.
[50] Council of the European Union (2022), *Conference on the Future of Europe - Proposals and related specific measures contained in the report on the final outcome of the Conference on the Future of Europe: Preliminary technical assessment*, Publications Office of the European Union.
[51] Ibid, p.264.

## 3.3 EU Directive on Adequate Minimum Wages

The European Pillar of Social Rights, declared in November 2017 by the Council of the EU, the European Parliament and the Commission, as well as social partners, included in its "Principle 6" that "Adequate minimum wages shall be ensured, in a way that provides for the satisfaction of the needs of the worker and his / her family in the light of national economic and social conditions, whilst safeguarding access to employment and incentives to seek work."[52] Arising from this commitment, the European Commission launched a two-stage consultation with social partners in 2020. From this arose a Proposal for a Directive on Adequate Minimum Wages, which was formally adopted as a proposal by the European Commission on 28 October 2020. After consideration by the Council and Parliament, a revised Directive on Adequate Minimum Wages[53] became law on 19 October 2022. The Directive contains specific restrictions in relation to sub-minimum wage rates, which it refers to as "variations and deductions" from the prevailing minimum wage.[54]

Recital 29 states:

> *Without prejudice to the competence of Member States to set the statutory minimum wage and to allow for variations and deductions, it is important to avoid variations and deductions being used widely, as they risk having a negative impact on the adequacy of minimum wages. It should be ensured that variations and deductions respect the principles of non-discrimination and proportionality. Variations and deductions should therefore pursue a legitimate aim.*

And Article 6(1) states:

> *Where Member States allow for different rates of statutory minimum wage for specific groups of workers or for deductions that reduce the remuneration paid to a level below that of the relevant statutory minimum wage, they shall ensure that those variations and deductions respect the principles of non-*

[52] European Commission (2022c), *The European Pillar of Social Rights in 20 principles* Publications Office of the European Union.
[53] *Directive (EU) 2022/2041 of the European Parliament and of the Council of 19 October 2022 on adequate minimum wages in the European Union* (2022), *Official Journal of the European Union* L 275, 25.10.2022, p. 33–47.
[54] The accompanying Impact Assessment explains ""Exemptions" mean that the law exempts some groups from the application of minimum wage rules, while "variations" mean that a specific minimum wage floor applies to specific groups, for instance a lower minimum wage applies to young workers (sometimes referred to as "sub-minima")." European Commission (2020), *Impact Assessment: Accompanying the document Proposal for a Directive of the European Parliament and of the Council on adequate minimum wages in the European Union*, Publications Office of the European Union, p.6.

*discrimination and proportionality, the latter including the pursuit of a legitimate aim.*

European law now requires that, going forward, any sub-minimum wage rate will have to “respect the principles of non-discrimination and proportionality” and it should “pursue a legitimate aim”.

Accompanying the proposed directive was a substantial Impact Assessment prepared by the European Commission to inform the preparation of the directive. The Impact Assessment examined in depth the problem of inadequate minimum wages, the situation in different Member States, the possible actions that could be taken to address the problem of inadequate minimum wages, and the impact of those possible actions.

The Impact Assessment explains that one cause of inadequate minimum wages can be gaps in the coverage of statutory minimum wages. These gaps arise from provisions in legislation which allow for exemptions or variations in statutory minimum wages for specific groups of workers.[55] These variations can “exacerbate existing inequalities for vulnerable groups of workers in some cases, e.g., if lower minimum wages are applied across the board to young workers…or if they are not limited in time leading to systemic underpayment of work.” At the same time, the Impact Assessment acknowledges variations “may be beneficial for facilitating access to the labour market of vulnerable groups if they are non-discriminatory, proportionate and limited in time. They can have a positive effect on employment if they aim at integrating young workers in the labour market, providing training to apprentices or promoting the employment of workers with lower productivity.”[56]

The Impact Assessment considered two mutually exclusive measures as possible responses to this problem. (Ibid: 36) One option was “the banning of variations, deductions and exemptions from statutory minimum wages.” It argued this has “the potential to contribute to increasing the adequacy and coverage of minimum wages.” (Ibid: 49) The second option was “limiting the use of variations, deductions and exemptions from statutory minimum wages to well justified and proportionate cases”. This they argued “would also contribute to increasing the adequacy and coverage of minimum wages, but with a more limited impact” than the banning measure.[57] The preferred option arising from the Impact Assessment was not to ban variations outright but to limit their use to well justified and proportionate cases.

[55] Ibid, pp.3-8.
[56] Ibid, p.15.
[57] Ibid, p.51.

The Impact Assessment looked at the different use of variations, deductions and exemptions across the EU Member States with statutory national minimum wages. They produce a summary table of exemptions from and variations in, statutory national minimum wages, which is reproduced in Appendix C below. It is worth examining these other Member States to see how prevalent sub-minimum youth rates are and how they operate.

### 3.4 Sub-Minimum Youth Rates in Other EU Member States

Of the 22 EU Member States that have statutory minimum wages, 17 have some form of exemption and/or variation. [58] Of these, Germany has an age-related exemption,[59] while another seven countries, including Ireland, have age-related variations in the minimum wage. Aside from Ireland, these countries are Belgium, Cyprus, France, Luxembourg, Malta, and the Netherlands. It is worth noting that France's age-related variation only applies to new job entrants and apprentices. There are no general youth sub-minimum rates in France.[60] Likewise, in Cyprus, the sub-minimum youth-rates only apply to seasonal workers younger than 18 where the period of work does not exceed two continuous months.[61]

The Netherlands has the most significant reductions in the minimum wage for younger workers, with those aged 15-17 entitled to 30-40%, those aged 18 entitled to 50%, those aged 19 entitled to 60%, and those aged 20 years old entitled to 80%.

In Luxembourg, Malta and Belgium, the sub-minimum rates only apply to those under 18 years of age. In Luxembourg, they are 75% for 15-17 year-olds, and 80% for 17 year-olds. In Belgium they are 76% for 17 year-olds, and 70% for 16 year-olds and below. In Malta, they are 95% for those aged less than 17 years, and 96% for 17 year-olds.

[58] Further discussion of this topic can be found in Eurofound (2021), Minimum wages in 2021: Annual review, Dublin: Eurofound, pp. 9-11 and in McLoughlin, M. (2022), The equal treatment of young people in the labour market, SOC/721-EESC-2022, Brussels: European Economic and Social Committee
[59] Germany is discussed further below.
[60] For new job entrants, if they have less than 6 months experience in a sector: 80% for 15 or 16 years old; 90% for 17 years old. For apprentices: (1) initial education (contrat d'apprentissage), 25%-78% (depending on age and experience); (2) continuous training "contrat de professionalization" and less than 26 years old, 55%-85% (depending on age and experience).
[61] The Cypriot sub-minimum rate for seasonal workers aged under 18 is 75% of the standard national minimum wage.

As such, Ireland and the Netherlands are currently the only EU countries with sub-minimum wage rates for those aged 18-20. And only three other EU Member States have sub-minimum wage rates for all workers aged under 18.[62]

Today, Ireland's sub-minimum youth rates are not the European norm. Ireland's decision to introduce new youth sub-minimum rates in 2019 was also outside the norm. In recent years, most other EU countries have either been removing or increasing their youth rates.

In 2015, Belgium abolished variations in the minimum wage for those aged 18-20. Today, Belgium's youth rate only applies to those aged under 18. Czechia abolished variations in its minimum wage levels for young people in 2013.[63] While the Netherlands did not abolish its youth rates, (its youth rates remain the lowest in the EU relative to the adult rate), it has recently made a number of changes to its youth rates. It abolished youth rates for those aged 21-22 and it increased the rates for those aged 20 and under.[64]

In addition to Ireland, Greece was also an exception to this recent tendency in Europe to remove youth rates. In 2012, it introduced a drastic 32% cut in the minimum wage for those aged below 25.[65] However, in 2019 it abolished youth sub-minimum rates bringing them in line with the minimum wage for those aged over 25.[66]

Cyprus is a slight outlier as it only introduced a statutory minimum wage on January 1st, 2023. It did not have a statutory minimum wage before this date. As noted above, Cyprus's minimum wage system includes a sub-minimum rate set at 75% of the standard rate for seasonal workers younger than 18 where the period of work does not exceed two continuous months.

[62] This low prevalence of sub-minimum youth rates reported here might appear to contrast with the findings of the Low Pay Commission when it previously examined the question of sub-minimum rates in 2015-2017, which observed that the use of sub-minimum youth rates was widespread in the OECD. The evidence for this claim came from Kelly & McGuinness (2017). However, the evidence in Kelly & McGuinness aligns with that in this report once account is taken of both the recent changes to a number of countries' minimum wage systems described in this report and of the fact that Portugal and Slovakia had previously abolished their sub-minimum youth rates.
[63] European Commission (2020), *Impact Assessment,* p. 174-175.
[64] Over a two-step increase in 2017 and in 2019, the rates for 20 year olds increased from 61.5% of the adult rate to 80%, the rate for 19 year olds increased from 52.5% to 69%, and for 18 year olds from 45.5% to 50%. The rates for those aged 15-17 remained the same. See: van Bezooijen, E., van den Berge, W. and A. Salomons (2021), 'The Young Bunch: Youth Minimum Wages and Labor Market Outcomes', CPB Discussion Paper 422, CPB Netherlands Bureau for Economic Policy Analysis; van Ours, J. (2019), "The Minimum Wage in the Netherlands", *ifo DICE Report*, ifo Institute - Leibniz Institute for Economic Research at the University of Munich, vol. 16(04), pp. 31-36.
[65] Kelly, E. and S. McGuinness (2017), *A study of sub-minimum wage rates for young people*, p.3.
[66] European Commission (2020), *Impact Assessment,* p. 174.

In addition to the EU Member States where there are reduced minimum wages for younger workers, in Germany minimum wage laws simply do not apply to those aged under 18. However, under the German Civil Code certain legal transactions are considered void if they "offend common decency". This has been interpreted to mean that no one, regardless of age, may be paid less than 66% of the standard collective wage rate of the industry or regional area minimum wage. Therefore, workers aged under 18 must be paid at least 66% of the standard collective wage rate of the industry or regional area.

Outside the EU, the UK has also been removing youth rates. Previously, workers under 25 were not entitled to the full UK minimum wage, which is named the "National Living Wage" (NLW). In 2019 the UK Low Pay Commission reviewed the structure of its youth rates. It recommended that workers become entitled to the NLW at 21.[67] Since April 2021, 23 and 24 year-olds have been entitled to the full NLW. 21 and 22 year-olds will be entitled to the full NLW in April 2024. An examination of the impact of abolishing sub minimum youth rates for 23 and 24 year-olds "did not find any impact on aggregate employment, or on employment in low-paying sectors. For 23 and 24 year-olds as a whole, they did not find any effect on average or usual hours worked." And the UK Low Pay Commission has deemed the abolition of sub-minimum youth rates for 23 and 24 year-olds a success.[68]

---

[67] UK Low Pay Commission. (2019), *A Review of the Youth Rates of the National Minimum Wage*. London: Controller of His Majesty's Stationery Office.
[68] UK Low Pay Commission. (2023), *National Minimum Wage: Low Pay Commission Report 2022*. London: Controller of His Majesty's Stationery Office, p.123-126.

# Chapter 4 Results of the ESRI Study

In order to facilitate its deliberations, the Low Pay Commission commissioned an ESRI report on "Sub-Minimum Wages in Ireland".[69]

Some elements of this report, such as the situation with sub-minimum youth rates in other countries and minimum wage policy in Ireland, have already been examined above.

The ESRI report also provided a literature review on the impact of sub-minimum youth rates and detailed statistics on sub-minimum employees in Ireland.

## 4.1 International Literature on the Impacts of Sub-minimum Youth Rates

The ESRI report described how Neumark and Wascher (2004)[70], and Marimpi and Koning (2018)[71] found positive employment effects arising from the presence of sub-minimum youth rates. While Shannon (2011)[72], Dayioglu et al. (2022),[73] and Hyslop and Stillman (2021)[74] found that abolishing youth rates can have negative employment effects. However, Hyslop and Stillman found the large minimum wage increase they were studying had fairly small adverse effects.

Yannelis (2014)[75] found the faster reduction of minimum wages for those aged under 25 in Greece in 2012 resulted in a reduced rate of new hires for workers aged above 25, as a result of a substitution towards the "cheaper" hires under 25 years.

---

[69] Redmond, P., Staffa, E., Ciprikis, K., McGuinness, S. and Gilmore O. (2023), *Sub-minimum wages in Ireland*. ESRI Research Series 167, Dublin: ESRI.
[70] Neumark, D. and W. Wascher (2004), 'Minimum Wages, Labor Market Institutions, and Youth Employment: A Cross-National Analysis', *ILR Review*, 57(2), pp.223–248.
[71] Marimpi, M. and P. Koning (2018), 'Youth minimum wages and youth employment', *IZA Journal of Labor Policy*, 7(5), pp.1-8.
[72] Shannon, M. (2011), 'The Employment Effects of Lower Minimum Wage Rates for Young Workers: Canadian Evidence', *Industrial Relations: A Journal of Economy and Society*, 50, pp.629-655.
[73] Dayioglu, M., Küçükbayrak, M. and S. Tumen (2022), 'The impact of age-specific minimum wages on youth employment and education: a regression discontinuity analysis', *International Journal of Manpower*, 43(6), pp.1352-1377.
[74] Hyslop, D. and S. Stillman (2021), 'The Impact of the 2008 Youth Minimum Wage Reform in New Zealand', *Series of Unsurprising Results in Economics*, 5.
[75] Yannelis, C. (2014), 'The Minimum Wage and Employment Dynamics: Evidence from an Age Based Reform in Greece', Society of Labor Economists Working Paper.

van Bezooijen et al. (2021)[76] examined an increase in the age-specific minimum wage for 20-22 year-olds in the Netherlands in 2017. They did not find evidence of adverse employment outcomes for the affected subgroup of workers.

López-Novella (2018)[77] analysed the abolition of youth rates for workers aged 18 to 20 in Belgium. The study found this had a positive impact on the probability of workers remaining employed within a firm. However, it had a negative impact on the probability of being employed by a new firm. Overall, the author indicates that the impact on employment was very limited, as both effects counteract each other.

In addition to the literature on the impact of changes to the design of youth minimum wage regimes on employment, there are several studies that examine the impact on workers of crossing the age threshold from sub-minimum youth rate to a higher minimum wage as they grow older. Kabátek (2021)[78] examined the Netherlands where the differences between youth rates and full rates are largest in the EU. This study found job separations spike just before the workers' birthdays, when they cross the age threshold, but job accessions increase immediately after their birthdays, with the result that the overall employment effect is not clear. Kreiner et al. (2020)[79] examined Denmark and also found a decrease in employment. However, other studies find no adverse employment effects. Ollsen (2011)[80] studied Australia and found no evidence of negative employment effects. While Dickens et al. (2010)[81] found evidence of an increase in the employment rate.

## 4.2 Statistics on Sub-Minimum Employees in Ireland

Redmond et al.[82] found that the incidence of sub-minimum wage employment in Ireland is low. In 2022, just 1.4 percent of all employees were sub-minimum wage employees. This is equivalent to approximately 30,000 individuals. In the same year,

---

[76] van Bezooijen, E., van den Berge, W. and A. Salomons (2021), 'The Young Bunch: Youth Minimum Wages and Labor Market Outcomes', CPB Discussion Paper 422, CPB Netherlands Bureau for Economic Policy Analysis.
[77] López-Novella, M. (2018), 'Working Paper 04-18 - Removing youth sub-minimum wage rates in Belgium: did it affect youth employment?', Working Papers 1804, Federal Planning Bureau, Belgium.
[78] Kabátek, J. (2021), 'Happy Birthday, You're Fired! Effects of an Age-Dependent Minimum Wage on Youth Employment Flows in the Netherlands', *ILR Review*, 74(4), pp.1008–1035.
[79] Kreiner, C.T., Reck, D. and P.E. Skov (2020), 'Do Lower Minimum Wages for Young Workers Raise Their Employment? Evidence from a Danish Discontinuity', *The Review of Economics and Statistics*, 102(2), pp.339-354.
[80] Olssen, A. (2011), 'The Short Run Effects of Age Based Youth Minimum Wages in Australia: A Regression Discontinuity Approach', Paper Presented at New Zealand Association of Economists Annual Conference, Wellington, 29 June-1 July 2011.
[81] Dickens, R., Riley, R. and D. Wilkinson (2010), 'The impact on employment of the age-related increases in the National Minimum Wage', UK: University of Sussex.
[82] Redmond et al., (2023), *Sub-minimum wages in Ireland*.

5.6 percent of employees were earning the full-rate minimum wage, equivalent to approximately 120,000 individuals.

Approximately half of all sub-minimum wage employees report earning a youth rate.

Just five percent of all sub-minimum wage employees report being employed by a relative, while apprentices and "other reasons" both account for 20 percent of sub-minimum wage employment.

The overall incidence of youth-rate sub-minimum employment, therefore, is very low in Ireland. Looking at the average between 2019 and 2022, just 0.7 percent, or 1 in 140 employees, are on a sub-minimum youth rate. This is equivalent to approximately 15,000 individuals.

While all employees aged 15-19 could legally be paid a sub-minimum wage, just under one quarter (24.8%) are actually on a sub-minimum rate, with approximately three quarters earning either the full minimum wage or higher pay.

Not all sub-minimum wage employees aged 15-19 are classified as earning a youth rate. While the majority (83 percent) classify themselves as earning a youth rate, approximately 11 percent of sub-minimum wage workers in this age bracket are earning below minimum wage due to being an apprentice. These sub-minimum wage apprentices are predominantly young men in the construction sector.

With regard to the composition of sub-minimum youth-rate employees, just over half (55 percent) are female, while 77 percent work in either the accommodation, food or retail sectors. 79 percent of sub-minimum youth-rate employees classify themselves as students.

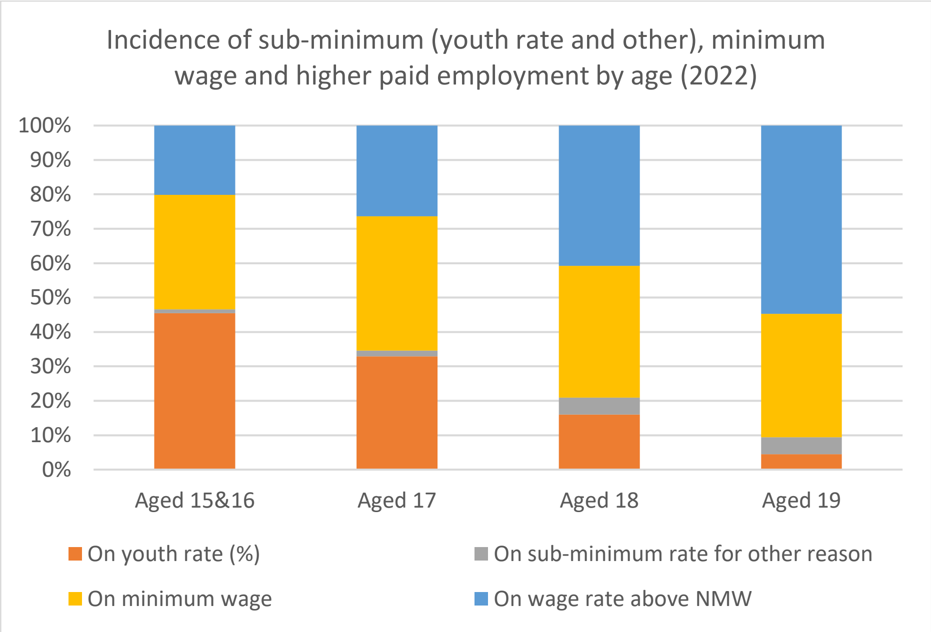
The results of the study's probit regression analysis show the incidence of youth-rate employment among young women is approximately two percentage points higher than the incidence among young men. The incidence of youth rate employment among students is 12 percentage points higher than non-students. With regard to sector, the incidence of youth-rate employment for those working in accommodation, food or retail is 8 percentage points higher than in other sectors.

## 4.3 The Incidence of Sub-Minimum Youth Rates by Age Category

In addition to the evidence presented in the ESRI report on "Sub-Minimum Wages in Ireland"[83], Dr Paul Redmond has kindly provided the Low Pay Commission with further information on the incidence of sub-minimum youth rates by different age categories in 2022.[84]

As noted above, while all employees aged 15-19 could legally be paid a sub-minimum wage, only a minority (a quarter) are actually on a sub-minimum rate. If we look at this age group in 2022, we can see that the proportion of workers on youth rates differs significantly between different age categories.

Figure 4.1




While 45% of 15 & 16 year-olds are on a sub-minimum youth rate, this reduces to 33% for 17 year-olds and down to 16% for 18 year-olds. For 19 year-olds only a very small percentage, 4%, are on a youth sub-minimum rate.

Dr Redmond has also provided us with data on the total number of employees by age in 2022, which is displayed in the final column in Table 4.1. Using this data and the data on the percentages on different wage rates, it is possible to roughly estimate the

[83] Ibid.
[84] Results are based on analysis of strictly controlled Research Microdata Files provided by the Central Statistics Office (CSO). The CSO does not take responsibility for the views expressed or the outputs generated from this research.

numbers employed on different rates in 2022. The results, rounded to the nearest hundred, are displayed in Table 4.1.

Using this data, we can see that of the roughly 82,000 employees aged between 15-19, the majority are aged 18 and 19 (70%[85]). However, of the roughly 15,000 employees on youth rates, the majority are aged below 18 (64%[86]). The total number of employees aged under 18 earning a sub-minimum youth rate is nevertheless quite small. It is estimated to be less than 10,000[87].

Table 4.1

| Age range | On youth rate (%) | On sub-minimum rate for other reason | Total on sub-minimum rate | On minimum wage | On wage rate above NMW | Total |
|---|---|---|---|---|---|---|
| Aged 15&16 | 5200 | 100 | 5300 | 3800 | 2300 | **11400** |
| Aged 17 | 4300 | 200 | 4500 | 5100 | 3500 | **13100** |
| Aged 18 | 3900 | 1200 | 5100 | 9400 | 10000 | **24500** |
| Aged 19 | 1500 | 1600 | 3100 | 11800 | 18100 | **33000** |
| **Total** | **14900** | **3100** | **18000** | **30100** | **33900** | **82000** |

## 4.4 The ESRI's Discussion of Possible Policy Options

The ESRI report concludes that:

> "From a policy perspective, reforms to the sub-minimum youth-rates could have both positive and negative impacts on affected workers. If, for example, the youth rates were to be abolished so that young workers were entitled to the full national minimum wage, then employees that are currently on a sub-minimum youth rate would see an increase in their hourly wage in the order of 11 to 43 percent, depending on age. This would address concerns about the existing youth rates being too low and unfair to younger workers. However, it is possible that some affected workers could see reductions in their hours or employment, and there is some international evidence to support this. Nonetheless, it is important to note that the international evidence on the adverse impact on employment or hours is often of a small magnitude. This, combined with the

[85] (24,500+33,000)/82,000=70.1%
[86] (55,200+4,300)/14,900=63.7%
[87] 5,200+4,300=9,500

fact that the incidence of youth-rate employment is low to begin with, means that, overall, any employment effect is likely to be quite muted.

“Another important point relates to the type of worker that is likely to be affected by any adverse impacts that may occur. We have seen that 80 percent of sub-minimum youth-rate employees in Ireland are students with a job. While not to diminish adverse employment effects among any group of workers, potential reductions in hours worked or employment among young students working part-time may be less of a policy concern than if it were to affect more vulnerable groups, such as lone parents. Therefore, when weighing up the evidence on potentially abolishing sub-minimum youth rates, this would result in approximately 15,000 young employees seeing an increase in their hourly wages in the order of 11 to 43 percent, while at the same time potentially leading to some of these young workers, the majority of whom are students, experiencing a reduction in their hours worked or employment.”[88]

[88] Redmond et al., (2023), *Sub-minimum wages in Ireland*, pp.28-29.

# Chapter 5 Results of the Consultation

In addition to commissioning research from the ESRI on this issue, the Low Pay Commission also conducted a targeted consultation on sub-minimum rates.

The list of targeted stakeholders is included in Appendix B.

The targeted stakeholders were contacted for their views on whether the existing sub-minimum rates should be "retained, removed or adjusted."[89]

The consultation ran for four weeks from Tuesday 27 June until Tuesday 25 July.

In total, nineteen stakeholders were contacted. Twelve submissions were received: seven from employer representative groups and five from other organisations.

## 5.1 Representations from Employer Representative Groups

The seven employer representative groups that made submissions to the consultation were the Irish Business and Employers Confederation (Ibec), Retail Ireland, the Irish Hotels Federation (IHF), the Vintners Federation of Ireland (VFI), the Licensed Vintners Association (LVA), the Convenience Stores and Newsagents Association (CSNA) and the Irish Small and Medium Enterprises Association (ISME).

In these submissions, a number of arguments in favour of the maintenance of sub-minimum youth rates were made. The four most common arguments were that sub-minimum youth rates were necessary (i) to reflect different levels of work performance, (ii) to avoid increasing youth unemployment, (iii) to avoid incentivising early school leaving, and (iv) to avoid increasing business costs.

The most common argument was that sub-minimum youth rates are necessary to maintain different rates of pay reflecting different work performance. On the one hand employers pointed to differing levels of skill, experience, or training. On the other hand, they pointed to the legal restrictions on certain types of work for those aged under 18.

Both Ibec and Retail Ireland observed that "there must be a level of recognition given to the difference between a young, inexperienced employee and a more experienced colleague." ISME remarked of their SME employees that "underage workers bring little

[89] The text of invitation to stakeholders to submit to the Consultation is included in Appendix A.

or no experience to the table in what may be their first employment. They require training and supervision, reducing their productivity."

The VFI, the LVA and the CSNA all raised the fact that those aged under 18 have legal restrictions on the work they may do. The VFI observed that "those under the age of 18 are precluded from carrying out certain tasks in the pub trade. As an example, an employee under the age of 18 is not allowed to sell alcohol to a customer and this is one of the key roles in the sector we represent." The LVA stated that: "hour limitations mean they are not working unsociable hours", while the CSNA stated that similar restrictions can apply to those working in convenience stores and newsagents: "Changes in legislation regarding absolute liability for employers selling alcohol, tobacco, gaming products and vaping devices will reduce opportunities for those below 18 years of age to get jobs in many outlets."

The second most common argument was that increasing or abolishing sub-minimum youth rates might increase youth unemployment. This argument was made by Ibec, Retail Ireland, the VFI, the IHF, the CSNA, and ISME. While none of the submissions provided evidence to this effect, Retail Ireland explained the logic behind the argument stating that "Sub-minimum rates are an important incentive for the recruitment of those with limited workplace experience" and arguing that these rates "ensure young people are given what may be their first opportunity to join the labour market, instead of losing out to their more experienced counterparts". The IHF argued for the importance of youth employment: "Entry level employment is a critical aspect of life for many young people starting their careers, maybe while still studying or during summer holidays. There are many socialisation and life skills dimensions to the opportunities employers provide first time and inexperienced young employees. It is vital that the Living Wage does not introduce a barrier to employment at entry level."

A third argument was made by Ibec, the CSNA, and the VFI that higher rates may provide an incentive to leave education early.

Ibec, the VFI, the CSNA, the IHF and Retail Ireland also raised the concern that higher wage rates for young workers would add further to business costs. Retail Ireland observed that "At a time when many employers will struggle to manage increased labour costs, and when those on sub-minimum rates will already benefit from very significant percentage annual wage increases, there is no basis to abolish the youth rates."

A number of other arguments were made by employer representative groups. ISME pointed to the lower skill level of young workers as the basis for their lower pay. Ibec, VFI and CSNA argued that sub-minimum youth rates are the international norm.[90] Both the CSNA and ISME directly challenged the idea that sub-minimum youth rates are discriminatory. CSNA observed that the 2004 Equality Act stated that “In relation to discrimination on the age ground, nothing in this Act shall render unlawful any act done in compliance with the National Minimum Wage Act 2000.”

Interestingly, both the LVA and the IHF were open to changes to the current sub-minimum youth rates structure.

LVA advocated that the sub-minimum youth rates should only apply to “those in second level education” and “workers under 18”. They stated that the LVA is “of the view that any worker over 18, once finished second level and can prove confirmation of the same and is therefore eligible to work normal working hours and dispense alcohol, their payment should be in line with the maximum minimum wage”.

The IHF similarly were open to the possibility of adjusting the current sub-minimum youth rates structure but recommended the “retention of the capacity to pay people who are under 18 less than the proposed Living Wage” and they requested “a deferral of any decision on this matter pending a review of the full impact of the introduction of the Living Wage in 2026.” “Alternatively”, they argued “there should be a continuation of the current Age-related thresholds or a replacement of Age by a service-related threshold for those employees who are 18 or under.”

## 5.2 Representations from Employee Representative Groups, NGOs, and Statutory Bodies

Submissions to the stakeholder consultation were received from the Irish Congress of Trade Unions (ICTU), Mandate Trade Union, the Irish National Organisation of the Unemployed (INOU), the National Youth Council of Ireland (NYCI), and the Ombudsman for Children’s Office (OCO).

ICTU, Mandate, the INOU and the NYCI all advocated for the abolition or increase of the sub-minimum youth rates, while the OCO encouraged “the Low Pay Commission to have regard to the rights of children up to the age of 18 years in its examination of retaining or removing the sub-minimum rates of the National Minimum Wage to ensure that its recommendations are in line with Ireland’s international and European rights obligations and corresponding guidance.”

---

[90] See Section 3.4 above for a discussion of this claim.

A number of submissions pointed to a simple argument against maintaining sub-minimum youth rates: that people should receive equal pay for equal work.

This issue of equal treatment for young workers was raised by all non-employer groups, with ICTU, Mandate Trade Union and the NYCI each giving the issue of equality and non-discrimination as a reason for the removal of sub-minimum youth rates. ICTU stated "It is manifestly unfair and discriminatory to pay young workers a lower rate of pay simply because of their age." Mandate explained they support "the removal of all age-based discrimination in relation to the National Minimum Wage". While, NYCI "believes that sub-minimum rates of pay for young people are discriminatory".

The INOU supports the removal of "age segregation" in "the interests of equality and social inclusion". They state "Whatever rationale some might argue for young people who are of school going age not to be enticed out of school through better paid employment, it is vital that young [people] who are eighteen years of age and older, who are eligible to vote, are treated as full adults and not as ninety or eighty percent of one."

The OCO highlighted Ireland's international and European rights obligations. In addition to the ECSR report on the European Social Charter, which is discussed above, the OCO also highlighted Ireland's other international human rights obligations. The OCO points out that Ireland has ratified the UN Convention on the Rights of the Child (1992), which provides that "all children must be able to enjoy their rights without discrimination" and "requires the State to recognise the right of the child to be protected from economic exploitation". The OCO also highlighted the International Covenant on Economic, Social and Cultural Rights (ICESCR), which Ireland ratified in 1989. This Covenant recognises the right of everyone to equal remuneration for work of equal value without distinction of any kind. ICTU also highlighted Ireland's obligations under the EU Directive, as described above.

The NYCI, Mandate and ICTU all drew out the implications that lower minimum wages have for young workers, highlighting how it can result in young workers having very low incomes. Mandate state that these sub-minimum youth rate jobs result in workers "earning below recognised in-poverty thresholds." The NYCI observed that "The average 18-year-old working a 35-hour week at a rate of €9.04 per hour must get by on less than half (46%) of the €675 gross weekly salary the Vincentian MESL Research Centre estimated is needed to meet the cost of a Minimum Essential Standard of Living in 2023 for someone living in private rented housing, without support for housing costs." The NYCI argued that sub-minimum youth rates are "ineffective, punitive and paternalistic, deny young people agency, and are founded in the misguided view that young people have fewer responsibilities than others, including paying bills and supporting other family members".

The NYCI, Mandate and ICTU also considered the arguments for the maintenance of sub-minimum youth rates and provide detailed challenges to those arguments.

While, as detailed above, Ibec, Retail Ireland, the VFI, the IHF, the CSNA, and ISME all argued that increasing or abolishing sub-minimum youth rates might increase youth unemployment, the NYCI, Mandate and ICTU all point to the 2017 Kelly and McGuinness report, "*A study of sub-minimum wage rates for young people*"[91], which was produced by the ESRI for the Low Pay Commission. This study, they note, finds the impact of abolishing sub-minimum rates to be "insignificant, or very small if positive or negative". Both the NYCI and ICTU also point to a further ILO study, which found the impact of youth minimum wages on youth employment to be "either zero or very small". [92]

Ibec, the CSNA, and the VFI raised the concern that higher rates may provide an incentive to leave education early. However, Mandate, ICTU and the NYCI reject that argument. ICTU states "there is no evidence to support this claim". Mandate state "There is no statistical evidence that a universal minimum wage for all workers would result in young workers leaving school early". The NYCI agreed. All three organisations cited Kelly and McGuinness (2017) to support their argument. The NYCI quoted the report, which found that "in relation to the economic effects of sub-minimum wage rates, as with the international literature on minimum wages generally, the effects of the policy on young peoples' employment or continued education decisions, whether positive or negative, have been found to be small and weak, and sometimes insignificant."

Further, in response to the argument that sub-minimum youth rates are necessary to recognise the difference between a young, inexperienced worker and a more experienced colleague, the NYCI observe that this "is not borne out in practice, as we see numbers of young people on sub-minima rates are relatively low".

Indeed, the NYCI stated "the overwhelming majority of employers … do not discriminate against employees under-20 by deploying sub-minima rates". From this,

---

[91] Kelly, E. and S. McGuinness (2017), *A study of sub-minimum wage rates for young people*.
[92] International Labour Organisation. (2017), *Labour market institutions and youth labour markets: Minimum wages and youth employment revisited*, Geneva: International Labour Organization.

Mandate, ICTU and the NYCI all argued that sub-minimum youth rates should be removed because, as ICTU argued, “it is unacceptable that the law continues to allow pay discrimination by age and for good employers to be put at a competitive disadvantage to businesses benefitting from subminimum wage rates.”

Finally, the NYCI and ICTU challenged the idea presented by Ibec, the VFI and the CSNA that sub-minimum youth rates are the international norm.

On the basis of these counter-arguments, ICTU stated that “Any justification [for sub-minimum youth rates], if one ever existed, is no longer applicable”.

Two final arguments made by the non-employer representative group submissions included an argument by the NYCI that removing sub-minimum youth rates would provide a boost to the economy, and an argument by Mandate that sub-minimum youth rates undercut older workers.

# Chapter 6 The Question of Sub-Minimum Youth Rates in Ireland Today

Having presented the available evidence regarding sub-minimum youth rates in Ireland, it is worth considering the merits of the arguments for and against retaining the existing youth rates.

## 6.1 Arguments for Retaining Sub-Minimum Youth Rates

As noted above, in the submissions received from the employer representative groups, the most common arguments for retaining sub-minimum youth rate were that they are necessary (i) to reflect different levels of work performance, (ii) to avoid increasing youth unemployment, (iii) to avoid incentivising early school leaving, and (iv) to avoid increasing business costs. A further argument from Ibec, the VFI and the CSNA was that sub-minimum youth rates are the international norm.

With regard to reflecting different levels of work performance, there are perhaps two separate elements to this. The first is that workers aged under 18 have legal restrictions on the work they may do. The second is that due to differing levels of experience, young workers might be less productive. On the first point, this would appear to be somewhat indisputable. However, this does not necessarily in itself justify paying employees aged under 18 less than the minimum wage. On the second point, the NYCI observed that most employers do not pay their employees sub-minimum rates and argued that this demonstrates that it is not necessary for employers to pay younger workers sub-minimum rates.

With regard to the arguments that removing youth rates would increase youth unemployment the evidence is somewhat contradictory. Redmond et al. (2023) cited numerous studies which find some evidence that the presence of youth rates support youth employment. However, they conclude that “the international evidence on the adverse impact on employment or hours is often of a small magnitude. This, combined with the fact that the incidence of youth-rate employment is low to begin with, means that, overall, any employment effect is likely to be quite muted.” Indeed with only 0.7% of employees earning sub-minimum youth rates, the employment effect of removing them is likely to be very limited. Even for employees aged under 20, only one-in-four are on a sub-minimum youth rate. For 19 year-olds, only one-in-twenty are on a youth sub-minimum rate. Therefore, the impact of employment for those aged 19 is likely to be negligible. However, it is worth noting that a higher proportion, nearly one-in-two, of 15 & 16 year-old employees are on sub-minimum youth rates.

It is also worth noting that an examination of the impact of abolishing sub-minimum youth rates in the UK for those aged 23-24 “did not find any impact on aggregate employment, or on employment in low-paying sectors” (UK Low Pay Commission, 2023: 123-126).

With regard to both the impact on employment and the risk that removing sub-minimum youth rates might incentivise early school leaving, the NYCI, Mandate and ICTU all strongly argue that the evidence for this is very weak. They cited Kelly and McGuinness (2017) which finds “in relation to the economic effects of sub-minimum wage rates, as with the international literature on minimum wages generally, the effects of the policy on young peoples’ employment or continued education decisions, whether positive or negative, have been found to be small and weak, and sometimes insignificant.”[93]

With regard to the arguments that sub-minimum youth rates should be retained to avoid increasing business costs, it is most likely that abolishing youth rates would increase business costs to some degree for some employers. However, it is unlikely that sub-minimum wage workers constitute a large proportion of the wage bill in many enterprises. The absolute number of workers on sub-minimum youth rates is small. And, as the majority of sub-minimum youth rate workers are aged 15-17 and 80% of these workers are students, it is unlikely that they work long hours.

While the numbers of employees earning a sub-minimum youth rate is currently very small, sub-minimum employment is concentrated in the accommodation, food and retail sectors and it is likely that the incidence of sub-minimum wage employment is concentrated amongst smaller employers. It is also important to be conscious of the possibility that, if sub-minimum rates of the National Minimum Wage were retained for this age group, this incidence could increase during recessionary periods, or could increase as Ireland progresses to a living wage.

However, a problem with the argument to maintain sub-minimum youth rates to avoid increasing business costs is that under the recently introduced EU Directive on Adequate Minimum Wages, sub-minimum rates need to be in pursuit of a “legitimate aim”. Legal advice received by the Commission has informed it that under European

[93] Kelly, E. and S. McGuinness (2017), *A study of sub-minimum wage rates for young people*, p.25.

law, the pursuance of cost savings for employers does not amount to a legitimate aim[94].

Finally, with regards to the argument that Ireland's sub-minimum youth rates are in line with international norms, it should be noted that Ireland and the Netherlands are the only EU countries with generally applicable sub-minimum youth rates for those aged over 18, and only three other countries have them for those aged under 18. It is not the norm in the EU to have the type of sub-minimum youth rate system that exists in Ireland.

## 6.2 Arguments for Removing Sub-Minimum Youth Rates

The basic argument for removing sub-minimum youth rates is relatively simple. The argument is that they are discriminatory on the basis of age, as they do not treat all workers equally, and that workers should receive "equal pay for equal work". Although, the CSNA noted that the 2004 Equality Act stated that "In relation to discrimination on the age ground, nothing in this Act shall render unlawful any act done in compliance with the National Minimum Wage Act 2000."

A challenge for this argument is if equal work is not being done, then it might not justify equal pay. However, it is not clear if this challenge by itself justifies sub-minimum youth rates.

A second argument for the removal of youth rates is that youth rates do not provide an adequate income. The NYCI observed that "The average 18 year-old working a 35-hour week at a rate of €9.04 per hour must get by on less than half (46%) of the €675 gross weekly salary the Vincentian MESL Research Centre estimated is needed to meet the cost of a Minimum Essential Standard of Living in 2023 for someone living in private rented housing, without support for housing costs." Further, the ECSR found that Ireland was in breach of Article 4§1 of the European Social Charter, which recognises the "right of workers to a remuneration such as will give them and their families a decent standard of living". The ECSR understand this to mean that the net minimum wage cannot fall below 50% of mean earnings. Ireland has previously been found to be in breach of Article 7.5 of the European Social Charter, which has been interpreted to mean that workers aged between 16 and 18 should be entitled to at least 80% of the adult minimum wage (above the 70% rate currently in place in Ireland).

[94] Hill and Stapleton v Revenue Commissioners and Dept of Finance (1998), C – 243/95, ECR 1-3739.

Relatedly, Ireland has a number of obligations under international treaties to ensure that all children must be "able to enjoy their rights without discrimination" and be "protected from economic exploitation", and that everyone has a right to equal remuneration for work of equal value without distinction of any kind.

Perhaps most importantly however, under the recently introduced EU Directive on Adequate Minimum Wages, any sub-minimum wage rate must by law "respect the principles of non-discrimination and proportionality" and it must be in "pursuit of a legitimate aim". The principle of objective justification, which encompasses the concepts of legitimacy, effectiveness and necessity or proportionality in justifying measures that would otherwise be discriminatory in pursuance of a legitimate aim, is discussed more below.

### 6.3 Deliberations of the Low Pay Commission on the Future of Sub-Minimum Youth Rates in Ireland

A wide range of options for the future of sub-minimum youth rates in Ireland were discussed by the Low Pay Commission. Conclusions regarding its recommendations were made in two stages. Initially, agreement regarding sub-minimum youth rates for those aged over 18 was reached by the Commission. Subsequently, agreement regarding sub-minimum youth rates for those aged under 18 was reached by the Commission. These two steps are discussed below.

### 6.4 Maintaining Sub-Minimum Youth Rates as they Currently Exist or Abolishing Sub-Minimum Youth Rates for Employees Aged 18 and over

The deliberations of the Low Pay Commission on the future of sub-minimum youth rates in Ireland began with discussion of the current system of sub-minimum youth rates.

The current system of sub-minimum youth rates was introduced in 2019. The aim of the new system was to simplify the sub-minimum rates for young people and job entrants, it also abolished the previously existing training rates.

The Low Pay Commission at the time acknowledged "that under 18's have a statutory restriction on their working hours and conditions". And the Commission justified the new reduced youth rates for those aged 18 and 19 stating: "Such a system would be administratively simpler from an employer's perspective as it does not require an employer to establish the previous work history of an employee, while also ensuring that young people are able to gain access to the labour market."[95]

The simple structure of the youth rates is attractive. However, only a relatively small minority of employees aged 18 and 19 are paid sub-minimum youth rates.[96] Further, the argument that workers should be paid equal pay for equal work seems particularly pertinent and compelling for those aged over 18. While the argument that those aged under 18 have statutory restrictions on the work they may do stands, it does not apply to those aged over 18.

Interestingly, there were submissions from both the employer representative groups and from unions that highlighted the significance of the age threshold of 18 years.

The LVA explicitly stated that they are "of the view that any worker over 18, once finished second level and can prove confirmation of the same and is therefore eligible to work normal working hours and dispense alcohol, their payment should be in line with the maximum minimum wage". While the IHF were similarly open to the possibility of adjusting the current sub-minimum youth rates structure but recommended the "retention of the capacity to pay people who are under 18 less than the proposed Living Wage".

Both ICTU and the INOU observed the significance that workers aged 18 are able to vote, with the INOU stating "it is vital that young [people] who are eighteen years of age and older, who are eligible to vote, are treated as full adults and not as ninety or eighty percent of one". The prevailing view is trending towards those aged over 18 being considered as full participating adults in ecomonic and social terms.

Having considered all of these views, the Low Pay Commission reached a consensus to recommend that sub-minimum wage rates for employees aged 18 and over be abolished no sooner than January 1st 2025.

When considering the timelines for any changes to the operation of youth rates, the Commission recognises that this is a complex issue that will require the full deliberation and consideration of Government and may require further legal advice and consultation.

---

[95] Low Pay Commission (2017), *Report on the Sub-Minima Rates of the National Minimum Wage (Part 2)*, p.12-13.

[96] See Figure 4.1 and Table 4.1 above.

## 6.5 Maintaining or Abolishing Sub-Minimum Youth Rates for Employees Aged Under 18

The question of sub-minimum wage rates for employees aged under 18 proved more challenging for the Low Pay Commission.

Firstly, the argument that sub-minimum wage rates should be abolished for those aged under 18 to ensure “equal pay for equal work” appeared weaker than when applied to those aged 18 and over. As noted above, there are statutory restrictions on the work employees under 18 can perform. The work employees aged under 18 can legally do is in many cases not the same to that of workers aged 18 and over.

Further, while a relatively small proportion of workers aged 18 and over are employed on sub-minimum youth rates, the proportion of workers aged under 18 employed on sub-minimum rates is far higher. And, as noted above, while the actual number aged under 18 employed on these rates is small, it is important to be cognisant of the fact that these workers are concentrated in the accommodation, food and retail sectors, may be concentrated amonst smaller employers, and that the numbers employed on these sub-minimum rates, if maintained, might increase during recessionary periods, or as Ireland progresses to a living wage.

## 6.6 The Question of a Legitimate Aim and Objective Justification of Sub-Minimum Rates

However, the main issue faced by the Low Pay Commission in its deliberations on sub-minimum youth rates for those aged under 18 was the legal requirements arising under Article 6 of the recently introduced EU Directive on Adequate Minimum Wages, which states:

> *Where Member States allow for different rates of statutory minimum wage for specific groups of workers or for deductions that reduce the remuneration paid to a level below that of the relevant statutory minimum wage, they shall ensure that those variations and deductions respect the principles of non-discrimination and proportionality, the latter including the pursuit of a legitimate aim.*

A particular challenge is the objective justification of sub-minimum rates, including the requirement that any sub-minimum youth rates be in “pursuit of a legitimate aim”. The Low Pay Commission took this to mean that it was necessary that any sub-minimum youth rate must have an identified legitimate aim. The Low Pay Commission sought legal advice on this, which confirmed this understanding of this requirement.

Substantial consideration was given to the possible aims of the current existing sub-minimum youth rates for those aged under 18.[97]

Particular attention was given to two potential aims of maintaining sub-minimum youth rates for those aged under 18: encouraging those aged under 18 to remain in education, and ensuring the availability of employment for those aged under 18.

With regard to education, as the minimum wage moves towards a “living wage” set at 60% of the median wage, the attraction of minimum wage employment for those in education will increase. It might be argued that we should not design policy that would encourage young people aged 15-18 to leave education and enter full-time employment.

The second argument for maintaining sub-minimum youth rates is that while policy should not be designed to encourage young people aged 15-18 to leave education and enter full-time employment, there may be benefits to young people entering limited part-time employment at this age. The minimum wage should not therefore be set at a level that might close off these employment opportunities.

However, having considered both of these possible policy aims, there are a number of challenges.

Firstly, the two aims appear to be in conflict: is the aim to dissuade those aged under 18 from entering employment or is it to increase employment of those aged under 18?

Secondly, the evidence that a higher minimum wage for young workers would result in significantly worse employment opportunities for them is not very strong and the evidence that sub-minimum wage rates for those aged under 18 are an effective tool for discouraging early school leaving is weak. As quoted above, the Kelly and McGuinness report (2017), which was commissioned as background research for the Low Pay Comission’s 2017 recommendation regarding sub-minimum wages, stated: “in relation to the economic effects of sub-minimum wage rates … the effects of the policy on young peoples’ employment or continued education decisions, whether

[97] As noted above, legal advice informed the Commission that the pursuance of cost savings for employers cannot amount to a legitimate aim.

positive or negative, have been found to be small and weak, and sometimes insignificant."[98] And, as also quoted above, the Redmond et al. report, which was commissioned as background research for the Low Pay Comission's current report, states: "it is possible that some affected workers could see reductions in their hours or employment, and there is some international evidence to support this. Nonetheless, it is important to note that the international evidence on the adverse impact on employment or hours is often of a small magnitude. This, combined with the fact that the incidence of youth-rate employment is low to begin with, means that overall, any employment effect is likely to be quite muted."[99]

The Low Pay Commission sought legal advice on the question of the evidentiary requirements of objective justification. The advice received stated that consideration should be "given to whether there is a sufficiently rational connection between the aim identified and the less favourable treatment or disadvantage suffered." This involves an analysis of the adequacy of the measure in issue in achieving the legitimate aim that it purports to pursue[100]. Here, cogent empirical evidence would be required to demonstrate the effectiveness of the measure. It follows that a claimed connection between the less favourable treatment in issue and the putative legitimate aim, based on weak or unconvincing evidence, is unlikely to be acceptable. In that regard it has been pointed out on many occasions that mere generalisations in relation to the effect of a measure cannot be sufficient to make out a defence of objective justification.[101] On the question of proportionality, consideration should be given to whether the means chosen (the less favourable treatment) are no more than is necessary to accomplish the objective. It is not enough that there is a legitimate aim; the treatment must also be a proportionate means of achieving it. Finally, consideration must be given to whether the means chosen strikes a fair balance between the importance of the need to accomplish the aim and the detriment suffered by those afforded less favourable treatment."

The Low Pay Commission concluded that under Article 6 of the EU Directive, an objective justification is required to maintain sub-minimum rates. It is necessary (i) to have a clearly identified legitimate aim, (ii) that aim cannot be simply to reduce costs to employers, (iii) the sub-minimum rate structure must be designed in such a way as to achieve that aim while causing the minimum harm to those on the reduced rate, and (iv) there must be sufficient evidence that the design of sub-minimum rates is effective in achieving the policy aim.

[98] Kelly, E. and S. McGuinness (2017), *A study of sub-minimum wage rates for young people*, p.25.
[99] Redmond et al., (2023), *Sub-minimum wages in Ireland*, pp.28-29.
[100] As the Expert Group on the implementation of the Directive have pointed out, adequacy is an inherent feature of proportionality.
[101] *Rinner-Kuhn v FWW Spezial-Gebaudereinigung GmbH & Co. KG (1989)* Case 171/88, ECR 2743.

## 6.7 The Absence of an Objective Justification

Given the above, the largest problem faced by the Low Pay Commission is the issue of an objective justification of sub-minimum youth rates required under European law. The Low Pay Commission understands that an objective justification of sub-minimum rates would require a clearly identified "legitimate aim" and a sufficient evidence base that the sub-minimum rates were effective in achieving that aim.

The Low Pay Commission understands that the EU Directive on Adequate Minimum Wages does not prevent Member States from implementing systems of sub-minimum rates. It merely introduces a requirement that those rates have an objective justification.

Should Government wish to implement or maintain a system of sub-minimum wage rates to achieve a social policy aim, those sub-minimum wage rates, for young people or for other categories of workers, could be justified if they are effective in achieving that aim, and if they “respect the principles of non-discrimination and proportionality”.

However, following the introduction of the EU Directive on Adequate Minimum Wages, if an objective justification of sub-minimum rates is absent the Low Pay Commission does not believe that sub-minimum youth rates can be maintained. The Low Pay Commission acknowledges that government may wish to seek legal advice to confirm its interpretation of the law on this issue.

The Low Pay Commission was unable, firstly, to identify the specific “legitimate aim” of sub-minimum youth rates based purely on age alone. Secondly, when possible justifications for sub-minimum youth rates were considered, no justifications were identified that had a sufficient evidentiary base to clearly justify retaining sub-minimum youth rates based purely on age alone.

Therefore, in the absence of an objective justification of the existing sub-minimum youth rates system, the Low Pay Commission recommends that sub-minimum wage rates for employees who have not attained the age of 18 years should be abolished no sooner than 1 January 2025.

However, the Commission is also conscious of the potential for adverse consequences from removing sub-minimum youth rates for some employers in specific sectors. Should the removal of sub-minimum youth rates give rise to unanticipated adverse consequences, a range of policy options may be available to Government. For example, if subsequent to the removal of sub-minimum youth rates an increase in early school leaving was observed, a policy response may include a targeted sub-minimum rate to deincentivise early school leaving. But, other policy options may also exist. For example, in Northern Ireland, Wales and Scotland an ‘Education Maintenance Allowance’ is payable to students aged 16 to 19 whose household income falls below a certain threshold to support those students remaining in education[102]. As noted above, for a sub-minimum youth rate scheme to have an objective justification it should both respect the principles of non-discrimination and proportionality, and be designed in such a way as to achieve its policy aim, while causing the minimum harm to those on the reduced rate.

Therefore, the Low Pay Commission further recommends that if youth rates are abolished, after these rates have been abolished for two years, Government commissions a study to evaulate if there were adverse consequences from removing sub-minimum rates, in particular for those aged under 18. Should a significant adverse outcome be identifed, the study should review the full range of policy options available to Government. This study should be submitted to Government and be given due consideration, with the resulting Government decision notified to the Low Pay Commission. A subsequent follow up study should be commissioned after youth rates have been abolished for four or more years using the longer data series then available.

Finally, conscious of the potential for adverse consequences from removing sub-minimum youth rates for a small number of employers in specific sectors, the Low Pay Commission, similar to its recommendation in its Living Wage Report (2022), recommends that consideration is given to how employers with a substantial proportion of young workers in receipt of sub-minimum wages can be supported during and after the period in which youth rates are abolished, if they are abolished.

[102]NIDirect Government Services (2024), *Education Maintenance Allowance explained*; Student Finances Wages (2024), *Education Maintenance Allowance*; mygov.scot (2024), *What EMA is*.

# Chapter 7 The Recommendations of the Low Pay Commission Regarding Sub-Minimum Youth Rates

The Low Pay Commission makes separate recommendations for employees who are 18 and 19 years of age, and for employees who have not attained the age of 18 years.

When considering the timelines for any changes to the operation of youth rates, the Commission recognises that this is a complex issue that will require the full deliberation and consideration of Government and may require further legal advice and consultation with stakeholders.

## 7.1 Regarding Employees Aged 18 and 19

A. The Low Pay Commission recommends that sub-minimum wage rates for employees who are 18 and 19 years of age should be abolished no sooner than 1 January 2025.

## 7.2 Regarding Employees Aged Under 18

B. The Low Pay Commission recommends that sub-minimum wage rates for employees who have not attained the age of 18 years should be abolished no sooner than 1 January 2025.

C. The Low Pay Commission recommends that if youth rates are abolished, after these rates have been abolished for two years, that a study be conducted to evaulate if there were adverse consequences from removing sub-minimum rates, in particular for those aged under 18. Should a significant adverse outcome be identifed, the study should review the full range of policy options available to Government. This study should be submitted to Government and be given due consideration, with the resulting Government decision notified to the Low Pay Commission. A subsequent follow up study should be commissioned after youth rates have been abolished for four or more years using the longer data series then available.

D. The Low Pay Commission, similar to its recommendation in its Living Wage Report (2022), recommends that consideration is given to how employers with a substantial proportion of young workers in receipt of sub-minimum wages can be supported during and after the period in which youth rates are abolished, if they are abolished.

# Appendices

## Appendix A: Text of Invitation to Stakeholders to Submit to the Consultation

Dear Stakeholder

The Chair, Ultan Courtney and the Members of the Low Pay Commission invite you to make a submission regarding your views on the retention, removal or adjustment of the subminimum youth rates of the national minimum wage;

**Background to the Consultation on Subminimum Youth Rates 2023**

In February 2022 the Low Pay Commission was requested by the then Tánaiste and Minister for Enterprise, Trade and Employment to examine the issues around retaining or removing the subminimum youth rates that apply to the National Minimum Wage. At the time, the Tánaiste wrote: "Recently there has been some debate relating to youth rates of the national minimum wage, including a Private Member's Bill which seeks to remove such rates. I am aware that the Commission has examined and reported on this topic in 2017 but I now feel it necessary to revisit the issues involved. In this context I would ask that the Commission examine the issues around retaining or removing the youth rates and to make recommendations on the subject."

Previously, in 2017, the Low Pay Commission undertook a review of the subminimum rates that then applied to the National Minimum Wage. It recommended abolishing the training rates and simplifying the youth rates by moving to age-related as opposed to experience-based rates. The Commission's recommendations were accepted by Government and were introduced as part of the Employment (Miscellaneous Provisions) Act 2018.

Currently, employees aged 20 years and over are entitled to receive 100% of the National Minimum Wage, employees aged 19 years are entitled to receive 90% of the National Minimum Wage, employees aged 18 years are entitled to receive 80% of the National Minimum Wage, and employees under 18 years of age are entitled to receive 70% of the National Minimum Wage. (See Table 1 below.)

**Table 1: Current rates of the NMW**

| | Category of Worker | Effective from 1 Jan 2023 | % of minimum wage |
|---|---|---|---|
| Adult Rate | Experienced adult worker | €11.30 | 100 % |
| Age-based Rates | Aged 19 | €10.17 | 90 % |
| | Aged 18 | €9.04 | 80 % |
| | Aged under 18 | €7.91 | 70 % |

The purpose of this targeted consultation is to seek your views on these subminimum rates and whether they should be retained, removed or adjusted. The responses to this consultation will inform the proposals and recommendations made by the Low Pay Commission to the Minister for Enterprise, Trade and Employment. The Low Pay Commission has also commissioned research from the ESRI to help inform its recommendations on this issue.

The Commission intends to provide recommendations to the Minister of Enterprise, Trade and Employment in the second half of this year regarding the future of subminimum youth rates.

Submissions should be emailed to secretarylpc@enterprise.gov.ie by **25/07/2023**

## Appendix B: List of Targeted Stakeholders Contacted for their Views

- ICTU
- ISME
- Ibec
- Mandate
- Unite
- CSNA
- RGDATA
- Retail Ireland
- Restaurants Association of Ireland
- Irish Hotels Federation
- VFI
- LVA
- INOU
- Irish Secondary Students Union
- Union of Students in Ireland
- National Youth Council of Ireland
- Foróige
- Le Chéile Mentoring
- Ombudsman for Children

## Appendix C: Summary Table of Exemptions from and Variations in Statutory National Minimum Wages for the European Commission 2020 Impact Assessment Report[103]

| MS | Exemptions | | Variations | |
|---|---|---|---|---|
| BE | Education/ training related | Students in part-time learning schemes. Young people in dual training with a contract other than an employment contract. | Education/ experience based | Student contracts (variations by age): 94% for 20 years old; 88% for 19 years old; 82% for 18 years old; 76% for 17 years old; 70% for 16 years old and below. |
| | Labour Market related | Employment embedded in a re-employment programme (local employment contract for long term unemployed and regional re-employment programs). | Young people | 76% for 17 years old; 70 % for 16 years old and below. |
| | Public Sector | Civil Servants (pay covered by royal decree). | | |
| | Family business | Workers, under supervision of guardian, in family business where normally relatives work. | | |
| | Other | Workers employed for less than 1 month (e.g. seasonal labour in agriculture and horticulture). Peer-to-peer work (services to the local community and work for recognized digital platforms, local employment contracts). | Other | Workers in flexi-jobs (in catering and accommodation and retail firms): paid an hourly rate below the MW (9.27 EUR vs 9,68 EUR). |
| BG | NA | NA | NA | NA |
| CZ | Education/training related | Internships on a voluntary basis. Apprenticeships not based on a work contract. | NA | NA |
| | Public Sector | Civil servants whose pay is based on "tariff tables". | | |
| DE | Education/training related | Interns in specific types of internships: (1) mandatory internships as part of secondary or tertiary education, such as vocational training or higher education; (2) short-term internships (< 3 months); (3) introductory training for "orientation". Young people under 18 years of age without avocational certificate. Apprentices (governed by separate law). | NA | NA |
| | Labour Market related | Young people (below 25 years old) participating in subsidized work-based training programmes. Previous long-term unemployed (12+months unemployed) during the first six months after getting back to work). | | |
| | Voluntary work | Forms of work are understood as serving the common good. Quasi volunteers (mini jobs). | | |
| | Other | Some "employee-like relationships" for people with disabilities (e.g. in dedicated workshops). Home-workers (e.g. tele-working). | | |
| EE | Public Sector | Civil servants (pay not regulated by Employment Contracts Act). | NA | NA |
| IE | Education/ training related | People taking part in a statutory apprenticeship (except hairdressing apprentices). | Young people | 70% for under 18 years old; 80% for 18 years old; 90% for 19 years old. |
| | Family business | Workers who are close relatives of the employer. | | |
| | Other | Non-commercial activity or work by prisoners. | | |

[103] It would appear there was an error in the compiling of this table by the European Commission. Belgium's sub-minimum rates were entered both for Belgium and for Ireland. While Ireland's sub-minimum rates were entered as Luxembourg. This has been corrected. See: Government of the Grand Duchy of Luxembourg (2021), *Social minimum wage and indexation of salaries,* [Accessed: January 31st, 2024].

| | | | | |
|---|---|---|---|---|
| EL | NA | NA | Education/ experience based | Apprentices: (1) vocational higher education: 80 % of the national craftsmen minimum wage; (2) postsecondary, non-tertiary programmes 75% of the national craftsmen minimum wage, (3) hotels and other firms in tourism: 60 % for the duration of the season. |
| | | | Seasonal and domestic workers | Live-in domestic workers can be legally paid below the minimum wage (on the grounds that they receive food and lodging from their employer). |
| | | | Other | Variations between employees (skilled workers) and craftsmen (unskilled workers). |
| ES | Education/ training related | Internships on "non-labour" contracts. | Education/ experience based | Apprentices: 75 % during the first year of the contract and 85 % for the second and the third year for apprenticeships where a CBA does not exist. |
| | Public Sector | Civil servants (public official are excluded from the statute of workers). | Seasonal and domestic workers | Temporary/seasonal workers (max. 120 days) and domestic workers: Daily/Hourly rates, respectively, set below the general MW level. |
| | Voluntary work | Work carried out in friendship, benevolence, or good neighbourliness. | People with disabilities | Persons with disabilities working on “low performance contracts”: minimum 75% of the MW. |
| | Other | Regional exemptions are set for the autonomous cities of Ceuta and Melilla Commercial or mercantile agents (governed by commercial law). | | |
| FR | Other | Sales representatives: their working time cannot be controlled. Other provisions apply. | Education/ experience based | Experienced based: if less than 6 months experience in a sector: 80% for 15 or 16 yrs old; 90% for 17 yrs old. |
| | | | | Apprentices: (1) initial education (contrat d’apprentissage), 25%-78% (depending on age and experience); (2) continuous training “contrat de professionalization” and less than 26 years old, 55%-85% (depending on age and experience). |
| | | | Other | Mayotte overseas department: specific (lower) MW rate applies (EUR 7.57 per hour vs EUR 10.03 in FR). |
| HR | Labour Market related | work without employment (SOR)” (no employment contract). | Other | By way of derogation, a collective agreement may set a minimum wage below the one stipulated by the government decree. These wages cannot be below 95 % of the prescribed minimum wage. |
| | Other | Micro-employers (Solo self-employed, who are the sole employee). | | |
| LV | Public Sector | Employees of State and local government authorities (covered by a separate law). | NA | NA |
| LT | Public Sector | Civil servants (remuneration is regulated by separate laws). | NA | NA |
| LU | NA | NA | Young people | 75% for 15-17 years old; 80% for 17 years old; 120% for skilled workers over 18. |
| HU | NA | NA | Other | Workers in the Public Works Scheme (59.1% of MW). |
| MT | NA | NA | Young people | 95% for below 17 years old; 96% for 17 years old. |
| NL | Public Sector | Certain civil servants (military, police, judiciary). | Young people | 30-40% for 15-17 years old; 50% for 18 years old; 60% for 19 years old; 80% for 20 years old. |
| PL | Other | People providing certain care services (foster / family home activities and family assistance home, home care services, during leisure activities or excursions). | NA | NA |
| PT | NA | NA | Education/ experience based | Apprentices, trainees, or workers in training (length of variation depends on qualification): 80% for up to 1 year. |
| | | | People with disabilities | 50-90 % depending on coefficient of capacity to work. |
| RO | NA | NA | NA | NA |
| SI | NA | NA | NA | NA |
| SK | NA | NA | NA | NA |

# References


Council of Europe (1996), *European Social Charter (Revised)*, European Treaty Series - No. 163, Strasbourg, 3.V.1996.

Council of the European Union, General Secretariat of the Council (2022), *Conference on the Future of Europe: Report on the final outcome: May 2022*, Publications Office of the European Union.

Council of the European Union (2022), *Conference on the Future of Europe - Proposals and related specific measures contained in the report on the final outcome of the Conference on the Future of Europe: Preliminary technical assessment*, Publications Office of the European Union.

Dayioglu, M., Küçükbayrak, M. and S. Tumen (2022), 'The impact of age-specific minimum wages on youth employment and education: a regression discontinuity analysis', *International Journal of Manpower*, 43(6), pp.1352-1377.

Dickens, R., Riley, R. and D. Wilkinson (2010), 'The impact on employment of the age-related increases in the National Minimum Wage', UK: University of Sussex.

*Directive (EU) 2022/2041 of the European Parliament and of the Council of 19 October 2022 on adequate minimum wages in the European Union* (2022), *Official Journal of the European Union* L 275, 25.10.2022, p. 33–47.

*Employment (Miscellaneous Provisions) Act 2018,* Dublin: Stationary Office.

Eurofound (2021), Minimum wages in 2021: Annual review, Dublin: Eurofound.

European Commission (2020), *Impact Assessment: Accompanying the document Proposal for a Directive of the European Parliament and of the Council on adequate minimum wages in the European Union,* Publications Office of the European Union.

European Commission (2022a), *Conference on the Future of Europe: Putting Vision into Concrete Action,* Publications Office of the European Union.

European Commission (2022b*), Commission work programme 2023: A Union standing firm and united,* Publications Office of the European Union.

European Commission (2022c), *The European Pillar of Social Rights in 20 principles* Publications Office of the European Union.

European Committee of Social Rights (1971), *Statement of interpretation on Article 7§5,* Strasbourg: Council of Europe.

European Committee of Social Rights (2004), *Conclusions 2004 - Ireland - Article 7-5*, Strasbourg: Council of Europe.

European Committee of Social Rights (2006), *Conclusions 2006 - Ireland - Article 7-5*, Strasbourg: Council of Europe.

European Committee of Social Rights (2011), *Conclusions 2011 - Ireland - Article 7-5*, Strasbourg: Council of Europe.

European Committee of Social Rights (2019), *Conclusions 2019 - Ireland - Article 7-5*, Strasbourg: Council of Europe.

European Committee of Social Rights (2022a), *Conclusions - Ireland 2022.* Strasbourg: Council of Europe.

European Committee of Social Rights (2022b), *Conclusions XXII-3 - Luxembourg 2022.* Strasbourg: Council of Europe.

European Committee of Social Rights (2022c), *Conclusions - Malta 2022.* Strasbourg: Council of Europe.

Eurostat (2023), *Young people neither in employment nor in education and training (NEET), by citizenship.* Brussels: Eurostat.

Government of the Grand Duchy of Luxembourg (2021), *Social minimum wage and indexation of salaries,* [Accessed: January 31st, 2024].

Hyslop, D. and S. Stillman (2021), 'The Impact of the 2008 Youth Minimum Wage Reform in New Zealand', *Series of Unsurprising Results in Economics*, 5.

International Labour Organisation. (2017), *Labour market institutions and youth labour markets: Minimum wages and youth employment revisited*, Geneva: International Labour Organization.

Hill and Stapleton v Revenue Commissioners and Dept of Finance (1998), C – 243/95, ECR 1-3739.

Inter-Departmental Group on Implementation of a National Minimum Wage (IDGINMW (1999), *Final Report of the Inter-Departmental Group on Implementation of a National Minimum Wage*. Dublin: Stationery Office.

Kabátek, J. (2021), 'Happy Birthday, You're Fired! Effects of an Age-Dependent Minimum Wage on Youth Employment Flows in the Netherlands', *ILR Review*, 74(4), pp.1008–1035.

Kelly, E. and S. McGuinness (2017), *A study of sub-minimum wage rates for young people*. Dublin: ESRI and the Low Pay Commission.

Kreiner, C.T., Reck, D. and P.E. Skov (2020), '[Do Lower Minimum Wages for Young Workers Raise Their Employment? Evidence from a Danish Discontinuity]', *The Review of Economics and Statistics*, 102(2), pp.339-354.

López-Novella, M. (2018), 'Working Paper 04-18 - Removing youth sub-minimum wage rates in Belgium: did it affect youth employment?', Working Papers 1804, Federal Planning Bureau, Belgium.

Low Pay Commission (2016), *Report on the Sub-Minima Rates of the National Minimum Wage (Part 1),* Dublin: Low Pay Commission.

Low Pay Commission (2017), *Report on the Sub-Minima Rates of the National Minimum Wage (Part 2).* Dublin: Low Pay Commission.

Low Pay Commission (2022), *Living Wage Report*. Dublin: Low Pay Commission.

Marimpi, M. and P. Koning (2018), 'Youth minimum wages and youth employment', *IZA Journal of Labor Policy*, 7(5), pp.1-8.

McLoughlin, M. (2022), The equal treatment of young people in the labour market, SOC/721-EESC-2022, Brussels: European Economic and Social Committee

mygov.scot (2024), *What EMA is,* [Accessed: January 31st, 2024].

*National Minimum Wage Act 2000,* Dublin: Stationary Office.

*National Minimum Wage (Low Pay Commission) Act 2015,* Dublin: Stationary Office.

National Minimum Wage Commission (NMWC) (1998a), *Report of the National Minimum Wage Commission 1.* Dublin: Department of Enterprise, Trade and Employment.

National Minimum Wage Commission (NMWC) (1998b), *Report of the National Minimum Wage Commission 2.* Dublin: Department of Enterprise, Trade and Employment.

Neumark, D. and W. Wascher (2004), 'Minimum Wages, Labor Market Institutions, and Youth Employment: A Cross-National Analysis', *ILR Review*, 57(2), pp.223–248.

NIDirect Government Services (2024), *Education Maintenance Allowance explained,* [Accessed: January 31st, 2024].

Olssen, A. (2011), 'The Short Run Effects of Age Based Youth Minimum Wages in Australia: A Regression Discontinuity Approach', Paper Presented at New Zealand Association of Economists Annual Conference, Wellington, 29 June-1 July 2011.

*Prisons Act 2007,* Dublin: Stationary Office.

*Rinner-Kuhn v FWW Spezial-Gebaudereinigung GmbH & Co. KG (1989)* Case 171/88, ECR 2743.

Redmond, P., Staffa, E., Ciprikis, K., McGuinness, S. and Gilmore O. (2023), *Sub-minimum wages in Ireland*. ESRI Research Series 167, Dublin: ESRI.

*S.I. No. 99/2000 - National Minimum Wage Act, 2000 (Prescribed Courses of Study or Training) Regulations, 2000,* Dublin: Stationary Office.

*S.I. No. 69/2019 - Employment (Miscellaneous Provisions) Act 2018 (Commencement) Order 2019,* Dublin: Stationary Office.

Shannon, M. (2011), 'The Employment Effects of Lower Minimum Wage Rates for Young Workers: Canadian Evidence', *Industrial Relations: A Journal of Economy and Society*, 50, pp.629-655.

Student Finances Wages (2024), *Education Maintenance Allowance,* [Accessed: January 31st, 2024].

UK Low Pay Commission. (2019), *A Review of the Youth Rates of the National Minimum Wage*. London: Controller of His Majesty's Stationery Office.

UK Low Pay Commission. (2023), *National Minimum Wage: Low Pay Commission Report 2022*. London: Controller of His Majesty's Stationery Office.

van Bezooijen, E., van den Berge, W. and A. Salomons (2021), 'The Young Bunch: Youth Minimum Wages and Labor Market Outcomes', CPB Discussion Paper 422, CPB Netherlands Bureau for Economic Policy Analysis.

van Ours, J. (2019), "The Minimum Wage in the Netherlands", *ifo DICE Report*, ifo Institute - Leibniz Institute for Economic Research at the University of Munich, vol. 16(04), pp. 31-36.

Yannelis, C. (2014), 'The Minimum Wage and Employment Dynamics: Evidence from an Age Based Reform in Greece', Society of Labor Economists Working Paper.