## 21 February 2023

The Rt Hon Darren Jones MP Chair of the Business, Energy and Industrial Strategy Committee

By email: <a href="mailto:darren.jones.mp@parliament.uk">darren.jones.mp@parliament.uk</a>

Copy to: Daniel Walsh. By email: Daniel.walsh@parliament.uk

Dear Darren Jones,

We are a coalition of organisations working to protect and uphold the rights of live-in domestic and childcare workers. We are writing to you in your role as Chair of the Business, Energy and Industrial Strategy Committee, due to our concerns that the Government has yet to deliver on its commitment made in March 2022 to remove the 'Family Worker Exemption' from National Minimum Wage regulations.

The Family Worker Exemption, contained in the National Minimum Wage Regulations 2015, states that domestic workers do not have to be paid the National Minimum Wage if they live in their employer's household and are treated as a family member.

The Low Pay Commission found in October 2021 that the exemption has provided a loophole for the exploitation of live-in domestic workers, that it was 'not fit for purpose' and should be removed.

The Low Pay Commission's review followed the December 2020 Employment Tribunal judgement in *Puthenveettil v Alexander & ors* (Case Number 2361118/2013), which held that the exemption was unlawful and indirectly discriminatory on the grounds of sex.

On 10 March 2022, the government publicly accepted the Low Pay Commission's recommendation to remove the Family Worker Exemption in its entirety. Paul Scully MP, then Parliamentary Under Secretary of State for Business, Energy and Industrial Strategy, announced in Parliament that "... "We have accepted that recommendation, and will introduce legislation to remove the live-in domestic worker exemption when parliamentary time allows." We welcomed this decision as a huge milestone in extending basic rights to some of the most vulnerable and exploited workers in the UK.

On 24 November 2022, concerned that no visible steps had yet been taken to enact this commitment, our organisations wrote to then-Secretary of State for Business, Energy and Industrial Strategy, the Rt Hon Grant Shapps MP, asking for an update. We did not receive a reply to this letter, which we attach in enclosure.

Nearly eleven months have passed since the Government committed to remove the Family Worker Exemption. In the meantime, the delay has meant that live-in domestic workers continue to have no clear right to the National Minimum Wage, or indeed any salary, at all leaving them open to abuse and exploitation. Exploitative employers continue to be able to use the Family Worker Exemption as a defence in court to avoid paying a proper salary to the live-in domestic workers that they have exploited. We understand that to date HMRC will not intervene in cases where the Family Worker Exemption appears to apply.

We have therefore written this week to the newly appointed Secretary of State for Business and Trade, the Rt Hon Kemi Badenoch MP, and to the Parliamentary Under Secretary of State for the Department of Business and Trade, the Rt Hon Kevin Hollinrake MP. We have asked them to lay the

necessary legislation to remove the Family Worker Exemption as a matter of urgency to ensure that this loophole is closed.

We would be very grateful for any assistance you can provide in bringing this matter to the attention of the relevant Ministers.

We would be very happy to discuss this issue with you or your team in more detail if helpful. Please contact Kate Elsayed-Ali, kate@atleu.org.uk, with any follow up queries you may have or to arrange a meeting.

Your sincerely,

James Fookes (UK and Europe Advocacy Manager, Anti-Slavery International)

Kate Roberts (Head of Policy, Focus on Labour Exploitation (FLEX))

Leticia Dias (Coordinator, Nanny Solidarity Network)

Marissa Begonia (Director, Voice of Domestic Workers)

Mary-Ann Stephenson (Director, Womens Budget Group)

Rita Gava (Director, Kalayaan)

Sara Mendes (Chair, IWGB Nannies & Au Pairs branch)

Victoria Marks (Director, Anti Trafficking and Labour Exploitation Unit (ATLEU))

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