

21 February 2023

The Rt Hon Kemi Badenoch MP
Secretary of State for Business and Trade
Department of Business and Trade
1 Victoria Street
London
SW1H 0ET
By email: kemi.badenoch.mp@parliament.uk

Copy to: Jack Darby, Low Pay Commission. By email jack.darby@lowpay.gov.uk

Dear Secretary of State,

We are a coalition of organisations working to protect and uphold the rights of live-in domestic and childcare workers. In your new role as Secretary of State for Business and Trade, we request that you deliver on **the government's commitment in March 2022 to remove the 'Family Worker Exemption' from National Minimum Wage regulations, as a matter of urgency.**

The Family Worker Exemption 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 *Puthenveetil 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 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.

As newly appointed Secretary of State for Business and Trade, we are sure that you will be keen to rectify this situation to ensure the government's decision to close this loophole is implemented as a matter of urgency. We would be grateful for your assurance that the relevant legislation to remove the Exemption will be laid down imminently.

We look forward to a response to this letter and would be very happy to meet with you or your colleagues to discuss in more detail. Please contact Kate Elsayed-Ali, kate@atleu.org.uk, with any follow up queries you may have or to arrange a meeting.

Yours 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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