

MINIMUM WAGE TASK FORCE REVIEW AND ACCEPTANCE OF SITUATIONAL ANALYSIS REPORT, ENFORCEMENT FRAMEWORK, AND FORMULA

To: Hon. Oscar Requena
Minister of Rural Transformation, Community Development, Labour and Local Government

Copy Mr. Valentino Shal
Chief Executive Officer for the Ministry of Rural Transformation, Community Development, Labour and Local Government.

From: Minimum Wage Task Force

Date: December 14, 2022

Subject: **Review and acceptance of PPF Capital Belize Limited revised Situational Analysis Report, and Enforcement Framework with conditions**

The Minimum Wage Task Force met on December 13, 2022 to review and accept the revised Situational Analysis Report and Enforcement Framework dated December 12, 2022, as presented by PPF Capital Belize Limited. Below are the decisions made by the Task Force members:

REVIEW AND ACCEPTANCE OF THE SITUATIONAL ANALYSIS REPORT

All members *reviewed and accepted* the revised Situational Analysis Report (which includes the recommendations for implementation and the formula) dated December 12, 2022, with the following conditions:

- (1) There should be an annual minimum wage adjustment instead of every four years.
- (2) Labour Productivity must be included in the formula.
- (3) The threshold for the inflation trigger should be an average of 3.5% of the four quarters leading up to the current adjustment.

REVIEW AND ACCEPTANCE OF THE ENFORCEMENT FRAMEWORK

All members *reviewed and accepted* the revised Enforcement Framework dated December 12, 2022, with the following conditions:


- (1) Remove Section 4.8 Pension Reform point #1 – “Revision of the public sector pension plan to switch to a defined contributory system could free up fiscal space to implement complementary interventions to enhance worker welfare and support monitoring and enforcement of compliance with wage regulations?”

ACCEPTED FORMULA


The Minimum Wage Task Force members support a formula-based, gradual increase in the minimum wage from \$3.30 to \$4.00 as of January 2023, to \$4.50 in January 2024, and to \$5.00 in January 2025. This increase considers the ten-year stagnated increase and the impact it could have on employers. The \$4.00 has been considered by the Belize Chamber of Commerce and Industry and is one of PPF Capital Belize Limited's Option 1 Potential Wage Setting Adjusted Rate.

The Minimum Wage Task Force also supports the amended PPF Capital Belize Ltd's recommended formula to be implemented commencing 2026 and for future reviews, provided that the base wage is \$5 at the start of 2026, including productivity and the 3.5% inflation trigger.

Minimum Wage Task Force Members' Signatures:




Ms. Cindy Thompson
Chairperson



Mr. Luis Luke Martinez
Member

Mr. Francisco Gutierrez
Member

Ms. Candice Soutar
Member



Ms. Fayne Nicasio
Member

Ms. Carlesha Francisco
Member


End

ACCEPTED FORMULA


The Minimum Wage Task Force members support a formula-based, gradual increase in the minimum wage from \$3.30 to \$4.00 as of January 2023, to \$4.50 in January 2024, and to \$5.00 in January 2025. This increase considers the ten-year stagnated increase and the impact it could have on employers. The \$4.00 has been considered by the Belize Chamber of Commerce and Industry and is one of PPF Capital Belize Limited's Option 1 Potential Wage Setting Adjusted Rate.

The Minimum Wage Task Force also supports the amended PPF Capital Belize Ltd's recommended formula to be implemented commencing 2026 and for future reviews, provided that the base wage is \$5 at the start of 2026, including productivity and the 3.5% inflation trigger.

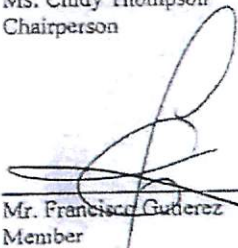
Minimum Wage Task Force Members' Signatures:




Ms. Cindy Thompson
Chairperson




Mr. Luis Luke Martinez
Member



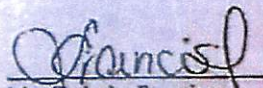
Mr. Francisco Gutierrez
Member



Ms. Candice Soutar
Member



Ms. Fayne Nicasio
Member



Ms. Charlesha Francisco
Member

End