



## **USI Submission to the Low Pay Commission on the National Minimum Wage Consultation for 2022**

### **About USI**

The Union of Students in Ireland (USI) is the sole representative body for students in Ireland and represents 374,000 students in over thirty member colleges across Ireland, North and South. Throughout its history, USI has worked relentlessly in the pursuit of student rights in all areas of the student experience. The goal of USI is to work for the rights of students and a fair and equal third-level education system in Ireland.

USI is a full member of the European Students' Union (ESU) which represents students from 46 National Students' Unions in 39 countries, and a member of Eurodoc, the European Council for Doctoral Candidates and Junior Researchers.

### **Living Wage**

The updated Living Wage rate in 2020/2021 is €12.30 per hour. The Living Wage is set by the Living Wage Technical Group based on research identifying the Minimum Essential Standard of Living (MESL) in Ireland, as outlined by Social Justice Ireland.<sup>1</sup>

The Union of Students in Ireland has a strong policy to lobby and advocate for at minimum a living wage across the island of Ireland for all workers, including recent graduates during the early part of their careers. The gap between the increasing cost of living and minimum wage is forcing many people to struggle to cover the cost of living.

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<sup>1</sup> [Living Wage €12.30 per hour | Social Justice Ireland](#)

In 2018, research conducted by Queen Mary, University of London showed clear benefits of paying the living wage to business, workers and the state. They found that over half of employees (54%) felt more positive about their workplace once the Living Wage was introduced and 52% felt more loyal to their workplace. The rates of staff leaving fell by 25%. Almost a third (32%) of workers felt it benefitted their family life by allowing them to do things like spend more time with family and almost 4 in 10 (38%) workers reported financial benefits such as being able to buy more goods and save more.<sup>2</sup>

## **COST OF LIVING**

The cost of living for students in Ireland has risen significantly in the last decade. Many students find themselves unable to pay for decent accommodation and thus settling for substandard accommodation, particularly in urban areas like Galway, Cork and the capital.

### **Student Accommodation:**

The cost of living in purpose built student accommodation has sky rocketed in recent years. Students pay in the region of 7,500 to 11,500 per 9 month period to stay in student accommodation in Dublin. Since 2016, over 5,500 student beds have been built in Dublin. Over 90 per cent of these new builds cost more than €800 per month. If a student were to work 37.5 hours a week on a minimum wage job; which would be impossible while undertaking a full time undergraduate course; they would earn €1,515 per month. Thus leaving them with €665 disposable income per month, or €166.25 per week to spend on food, books, transport, insurance etc. That's before taking into account paying the €3,000 euro contribution charge.

### **Cuts to grant and the struggles of low income:**

The student support grant system in Ireland has not risen since 2012. Currently, the average grant is €336 per month. This has led to a new culture of "empty lecture halls" due to students skipping college to go to work to pay for their fees, rent and needs such as food and bills. According to a report published by the Irish League of credit unions; 55% (up 33% from 2017) of students reported skipping lectures to work. Other statistics included how 15pc of students said they would cut down on food to afford living costs, and 11pc said they had avoided medical check ups to deal with the financial burden. Additionally, 22% reported not being able to afford doing anything outside of class, while 18pc said financial worries affected their mental health and was a major source of stress.<sup>3</sup>

We welcome that Minister Harris has started a review process of the SUSI grant system however, this will make recommendations for Budget 2022 which is unlikely to see immediate changes for the 2021/2022 academic year.

### **Insurance:**

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<sup>2</sup> Living Wage cost benefits report. Available at: <https://www.livingwage.org.uk/news/living-wage-costs-benefits-report>

<sup>3</sup> [Imagine More - Monster Loans - The Irish League of Credit Unions](#)

A major barrier to education is the cost of car insurance faced by young students. In rural areas, students have very few transport options beyond that of a private car due to poor transport links. USI is a member of the Alliance for Insurance Reform; which brings together 30 civic and business organisations from across Ireland, representing over 36,000 members, 640,000 employees and 493,000 volunteers in highlighting the negative impact of persistently high premiums. This alongside, the ageist targeting of under 25s in the insurance industry means students bare a lot of the financial burden when it comes to insurance.

Furthermore, the delays in accessing driving tests as a result of the COVID-19 Pandemic, will see young people paying higher rates of insurance as provisional drivers. This issue has been continuously raised the Houses of the Oireachtas as a matter that is raised with local representatives by constituents.<sup>4</sup>

#### Recommendation:

- € Address the issue of students being able to deal with a rising cost in living with a Living wage as a minimum wage and a total ban on zero hour contracts.

### **LOW PAID CASUALISED WORK**

According to TASC's<sup>5</sup> analysis of non-standard employment in Ireland it shows a number of sectors of the Irish labour market have a more significant share of precarious work than others, one of them being education.

In the case of people we represent, not only is it casualised, it's also low paid in the case of postgraduates.

Postgraduate Researchers provide a massive contribution to Irish society, the economy and the institutions they are in. Ireland is competing internationally to attract the best talent, and the Irish State is failing to deliver a competitive stipend. Currently the stipend rates received by Postgraduate Research Students varies dramatically. Whilst the announcement of additional funding to increase IRC stipends from €16,000 to €18,500, there is no national minimum, and therefore stipends of as little as €6,000 have been reported.<sup>6</sup>

The cost of living continues to rise whilst stipends remain relatively stagnant. There are only on average 9,500 Postgraduate Researchers in the system annually. This student cohort in a recent TCD Mental Health study, registered the highest level of stress, anxiety and depression.

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<sup>4</sup> [Pre-legislative Scrutiny of Road...: 2 Mar 2021: Oireachtas Joint and Select Committees \(KildareStreet.com\)](#)

<sup>5</sup> [living\\_with\\_uncertainty\\_final.pdf \(tasc.ie\)](#)

<sup>6</sup> USI Pre-Budget Submission 2019 [http://usi.ie/wp-content/uploads/2019/06/Pre-Budget-Submission\\_compressed.pdf](http://usi.ie/wp-content/uploads/2019/06/Pre-Budget-Submission_compressed.pdf)

PhD stipends need to provide a living remuneration and should be transitioned toward a living wage.

Recommendation:

- € Postgraduate stipends to be increased to a living wage.

## **PLACEMENT PAY**

### **General Placements**

Students are often doing work the same as their fully qualified colleagues in the final stretch of their courses. We need a piece of research on student placements to form the next piece of work for the Low Pay Commission that needs to address low pay, or most cases, no pay at all for work done.

Recommendation:

- € That the Low Pay Commission should undertake a wide-reaching piece of research on the use of placements, work-based learning, and industry-based programmes and the need for paid placements.

### **Student Teachers**

In September 2017, USI launched a campaign with trade unions TUI, ASTI, INTO and ICTU for better pay and working conditions for student teachers while on placement.

*“The Teaching Council has determined that 25% of student time over the four years of undergraduate programmes and 40% of student time over the two years of postgraduate programmes should be allocated to school placement.*

*Over the full programme, the school-based element must incorporate, at a minimum, 100 hours of direct teaching, which may include some team teaching experience. In the context of extended programmes, it is expected that HEIs and schools will work towards a position where student teachers will gain direct teaching experience in the region of 200-250 hours.” - Patricia King, 2017*

During placement, student teachers are expected to contribute resources and materials. There is huge additional financial pressure put on placement students by the hours they work, the preparation for each class and the resources and materials they are expected to provide ensuring they are of a high standard.

According to the survey from 2017<sup>7</sup>, 45% of student teachers pay between €30-€60 per weekly on resources and materials alone with a further 22% contributing €61-€100 weekly.

These figures do not include the extra travel and accommodation costs for while students are working on placement.

Almost 60% of placement students work between 20-35 hours weekly on placement. The highest average of hours being worked is 30-35 hours by student teachers on placement. This does not take into account lesson planning that must be prepared before entering a classroom.

As students teachers are not getting paid for their work on placement, it is no surprise that 71% of students have a part-time job on top of their placement work. 55% of student teachers work 10-20 hours on top of their placement in paid part-time work. It is clear from the survey results that on average students are working on 30 hour placements and an average of 15 hours part-time making a total amount of working in a week, 45 hours.

This brings students close to the maximum allowable working hours per week under the Organisation of Working Time Act 1997, with the majority of it being unpaid.

### Recommendations

- € Student teachers to receive 80% of the entry level rates whilst on placement with a phased plan for an introduction of a living wage for student teachers.

## **Pharmacy Students**

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<sup>7</sup> Student Teacher Placement Report [http://usi.ie/wp-content/uploads/2018/03/Teachers-Placement-Report\\_FINAL.pdf](http://usi.ie/wp-content/uploads/2018/03/Teachers-Placement-Report_FINAL.pdf)

In September 2015, a new integrated Master of Pharmacy (MPharm) programme was introduced in Ireland, replacing the previous 4+1 model, consisting of a 4 year Bachelor degree, followed by a 12 month placement in a an approved setting. Under the new MPharm, placements are divided up over the final two years, with a 4 month placement in 4th year and an 8 month placement in 5th year.

Under the new model there were a number of significant damaging changes that directly impact those on the programme, one of the most worrying changes have been in relation to the employment status of the students on placement. The relationship between the student and provider has now moved away from one of employees and employers despite those on the course and providers still wanting it to remain as that.

Placements in Pharmacy practice in 4th year are 30 hours a week per week, with the expectation of 20 hours of self-directed learning on top of that.

*“It feels hugely demoralizing and degrading to do all the same hands on physical work as the Pharmacist and other staff members yet not to be paid. I do not feel like a student at all. I feel a sense of exploitation and my life has been made very difficult as I must work two jobs to pay for petrol/car insurance and college fees while on placement.”*

Previous to last year, there had been a payment ban imposed on students. This has since been lifted but there are no guidelines or rights for what those on placement should be paid. In a survey conducted by USI in 2018<sup>8</sup>, respondents primarily focussed on the need for payment in the 5th year at the very least, recognising the significantly longer period of placement and additional high fee burden. Of course, their skill set would be much further detailed at this stage as an integrated postgraduate year.

We also asked whether or not lack of payment restricted placement opportunities, with 60.6% answering it had. This is concerning as some will only apply for placements in certain areas - for example HSE placements are not paid but we need pharmacists who are training in this area - lack of payment means lack of skilled pharmacists in areas like this.

Many placement providers want to consider those on placement with them as employees and give them payment, this was seemingly indicative of providers pulling out of the programme when the payment ban was introduced previously.

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<sup>8</sup> USI Pharmacy Students Report: <http://usi.ie/wp-content/uploads/2019/01/Pharma-Report-5.pdf>

### Recommendations:

- € PSI & APPEL to work with placement providers to introduce paid placement as a precondition of approval of provision for the new round of placement in 4th and 5th year of Pharmacy.
- € Postgraduate students are recognised as workers and paid a living wage for the hours they do.

## **WAGE INEQUALITY**

Many people who are directly impacted by the current legislation relating to national minimum wage are students. As we know, many students are working more hours to cover the increasing costs of attending education and we see dramatic increases in numbers of students missing lectures to work.<sup>9</sup> However, many students are not entitled to the minimum wage under the current legislation. The three specific groups outlined in the legislation who are not entitled to receive the national minimum wage are:

- ∅ Employed by a close relative (for example, a spouse, civil partner or parent), or
- ∅ In a statutory apprenticeship, or
- ∅ Under 20 – as the National Minimum Wage Act only guarantees you a reduced or sub-minimum rate of the national minimum wage.

Many students are working in low paid and precarious roles to help fund their way through education and some are working within a family business to help cover those costs.

A statutory apprenticeship provides on-the-job training with an employer. It usually alternates between off-the-job training in an education centre and on-the-job training at your employer's workplace. We know there are increasing numbers of school leavers who wish to undertake apprenticeships and they are not legally entitled to minimum wage during that apprenticeship.<sup>10</sup>

Young people aged under 18 are only guaranteed up to 70% of the national minimum wage, which is €7.07 per hour. An employer can pay you more than the minimum wage if they want, but they are not required to do so by law. The full rates are included in the table below which was taken from the Citizens Information website.

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<sup>9</sup> ILCU survey finds significant increase in students skipping lectures to work. Available at: <https://www.creditunion.ie/news/latest-news/ilcu-survey-on-college-costs/>

<sup>10</sup> Number of school leavers choosing apprenticeships doubles. Available at: <https://www.irishtimes.com/news/education/number-of-school-leavers-choosing-apprenticeships-doubles-1.4148232>

### Recommendation

- € Rates of pay for all staff currently outlined in legislation who are not legally entitled to receive minimum wage are increased to the living wage as outlined by Living Wage Technical Group.

### **Newly qualified teachers**

Currently, there is a two-tier pay system in place for teachers in Ireland. Teachers employed after 1st January 2011 will earn approximately €110,000 less than longer-serving colleagues over the course of a 40-year career.

Teachers carrying out the same work are being paid at different rates which is discriminatory but also has an impact on morale and retention, which is a big issue for schools across Ireland. This issue affects student teachers who are starting their careers with lower pay than some of their colleagues who have the same qualifications and simply started teaching pre 2011.

### Recommendation

- € Eliminate pay discrimination and ensure all teachers are on the same pay.

## **SECTORAL INEQUALITY**

### **Early Years Sector**

Early years workers and providers are dedicated and passionate about delivering a quality service that focuses on the needs of children and realising their full potential. Workers are paid too little and are struggling to make ends meet. The cost of Early Years services in Ireland are among the highest in Europe, however most early years

educators are earning less than the living wage. There is also a huge lack of State investment in early years services.

*Living Wage Calculation for NFQ 8 Qualification*



The average (mean) hourly pay for NFQ 8 employees is €13.45 for all grades. They work an average of 32.55 hours. The following compares their annualised pay with the Living Wage.

	Hourly Pay (€)	Weekly Working Hours	Weekly Pay (€)	Annual Pay (€)
NFQ 8 Employee	13.45	32.55	437.80	22,827
Living Wage	12.30	39	479.70	25,012
€ Difference	1.15	-	(-41.9)	(-2,185)
% Difference	8.6		(-9.6)	(-9.6)

While the hourly wage for NFQ 8 employees is higher than the hourly Living Wage (€1.15 or 9 percent), the Living Wage is an annual figure based on a full-time, 39-hour work week. When based on this:

- NFQ 8 employees earn €42 per week below the Living Wage (or 10 percent)
- NFQ 8 employees earn €2,185 per year below the Living Wage (or 10 percent)

In Ireland, according to the Big Start Early Years Professionals survey 2020<sup>11</sup>, 81% of the sector says they can't cope with unexpected expenses like replacing a washing machine or going to the doctor.

Primary teachers come out with pensionable, stable, pay scales and professional jobs, whereas early years come out with prospects of less than living wage, poor working conditions and no pay scales.

In a mostly female dominated workplace, one would be remiss to ignore this.

We've heard of the gender pay gap but this is almost a whole sector gender pay gap.

### Recommendations:

- € At least a living wage for all in sector
- € A Sectoral Employment Order which would set the rate of pay for the sector

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<sup>11</sup> [Layout 1 \(siptu.ie\)](#)

## Hospitality Sector

In a normal year, the most common fields for students in Ireland to work were services and catering in which 64% and 63% of students work during term time . According to the USI survey<sup>10</sup> conducted for a previous submission<sup>11</sup> in relation to the hospitality sector, 40% of those who answered work in Hotels, 70% work in Food & Beverage, 7% in Events, 4% in Travel & Tourism and 5% work in luxurious services with some crossover between different pillars of hospitality work. Of the respondents, an overwhelming amount (89%) were aged between 18-25 while 73% of respondents were female.

COVID-19 has led to many students in the hospitality sector to lose their employment however, when the virus allows for the sector to reopen, these challenges will once again reappear.

At the time of our survey, with a minimum wage of €9.55 per hour, the majority of students are being paid just under or just over that - 34% are paid under minimum wage and 58% are paid €9.55 and €10.55 an hour. Considering that only 5% of respondents are aged 16-18, there seems to be a disconnect when it comes to the reflection of pay.



One worker's experience of being paid under minimum wage means that they rely on tips.

*“Tipping is incredibly important to me in my job because I am only earning 8.50 and that's after a raise. I genuinely feel students in the hospitality are treated poorly by management but it's often the lovely customers that make it worthwhile.”*

There is a huge issue in the hospitality sector, and other sectors, in relation to tipping practices and lack of legislation that protects workers from wage theft. We believe that legislation needs to give a legal right to those tips to the workers and should provide for a criminal sanction for those employers who withhold tips for any reason including using them to make up the contracted wages.

USI feels that the research conducted by Low Pay commission in regards to the issue of tip theft was inadequate. The research we submitted as part of a previous submission to the Low Pay Commission on the issue was dismissed in the considerations. We feel the LPC needs to reflect the lived experience of those working in the sector, including students.

We believe that the vast majority of people working in this sector are among the most vulnerable in society, including a large number of foreign nationals, women and students.

Due to the precarious nature of the work in the sector it is difficult for workers to sufficiently organise. With that in mind, and the combination of low pay across the sector, we believe that it should be mandatory for a Joint Labour Committee (JLC) to be set up for the hospitality sector<sup>12</sup>. A JLC would allow workers to bargain for better wages as a sector that is notorious for low pay, bad conditions, precarious work in an area with little union representation. Students are struggling to afford college as it is, with many of them having to work many hours to try and survive in college

### **Recommendations**

- € For the Low Pay commission to conduct their own research including interviews and surveys to reflect the situation in the hospitality sector.
- € Robust legislation that will prevent an employer from withholding any part of an employee's wages, including monetary gifts received as tips or gratuities similar legislation to the National Minimum Wage (Protection of Employee Tips) Bill 2017.
- € For a mandatory Joint Labour Committee to be set up for the hospitality sector and for legislation to back it, such as the Industrial Relations (Joint Labour Committees) Bill 2019.

### **UNPAID INTERNSHIPS**

As a result of the financial crisis, unpaid internships have become normalized in today's economy. Alongside, the gig economy; unpaid internships and the impact they have on society disproportionately affects people from lower income backgrounds.

In the private sector, these internships mean only students who can afford to not work for an entire summer can take these up and subsequently find their way into the job market. The normalisation of such placements has led to bizarre requirements for accessing the job market such as needing 1-2 years experience.

Furthermore, the current situation facing people working on internships in many sectors fails to meet the European Quality charter on internships as many are not paid for the work they do and/or receive reimbursement for costs incurred. We believe that students who work internships should be paid at least the minimum wage as a legal requirement.

#### **Recommendations:**

- € Make unpaid internships illegal and recommend the paying of a living wage to all employers employing students through summer internships.

- € Make monies earned from internships exempt from SUSI and other student support income threshold totals. Students who are working to further their studies should not be disadvantaged when they go to return to their compulsory studies.
- € In the case of someone, working an unpaid internship that they be allowed to avail of full job seekers allowance.

## **APPRENTICESHIPS**

While the skilled labour is currently not experiencing a prevalent low pay scenario, this is largely due to the shortage of supply of these workers. The situation is very different, however for apprentices.

Currently, only 4% of apprentices are women and 1.5% have a disclosed disability. While the economy is currently in high demand for skilled labour, the absence of state support, low wages in the first year of training and also a declining, but still existent misconception that apprenticeships are for those who lack ambition or are unable to enter traditional academia have contributed to low supply of skilled labour in the Irish economy. Thus, perpetuating many of our labour supply problems, one major example being that of house building.

Many apprentices start off at a very low wage and can not afford to sustain a living. Some are on as little as €120, meaning even basic needs such as housing can not be met.

### Recommendations:

- € Adjust the national guidelines around apprenticeships to ensure no one is paid less than minimum wage at any point during their apprentice period.
- € End the pro-rata student contribution charge imposed on apprentices from 2014 onward and thus reinstate the payment made by SOLAS of 70% of the apprenticeship fee.

For further comments or enquiries, please contact USI President, Lorna Fitzpatrick on [president@usi.ie](mailto:president@usi.ie)