**EXPLANATORY MEMORANDUM TO**

**THE SEAFARERS' WAGES (AMENDMENT) REGULATIONS 2025**

**2025 No. 289**

## 1. Introduction

1.1 This explanatory memorandum has been prepared by the Department for Transport and is laid before Parliament by Command of His Majesty.

## 2. Declaration

2.1 Mike Kane MP, Parliamentary Under-Secretary of State for Aviation, Maritime and Security at the Department for Transport confirms that this Explanatory Memorandum meets the required standard.

2.2 Dave Whyte, Deputy Director for Maritime People and Safety, at the Department for Transport confirms that this Explanatory Memorandum meets the required standard.

## 3. Contact

3.1 Katie Parr at the Department for Transport Telephone: 07815453344 or email: katie.parr@dft.gov.uk can be contacted with any queries regarding the instrument.

## Part One: Explanation, and context, of the Instrument

## 4. Overview of the Instrument

***What does the legislation do?***

4.1 This instrument updates the National Minimum Wage equivalence ("NMWe") rates in the Seafarers' Wages Regulations 2024 (the "2024 Regulations") so that they align with the new National Minimum Wage rates from 1 April 2025. It also amends the timescales required for harbour authorities to request equivalence declarations from operators.

***Where does the legislation extend to, and apply?***

4.2 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is UK wide.

4.3 The territorial application of this instrument (that is, where the instrument produces a practical effect) is UK wide.

## 5. Policy Context

***What is being done and why?***

5.1 The 2024 Regulations provide for the rate at which seafarers working on services in scope of the Seafarers' Wages Act 2023 must be remunerated for work undertaken in UK waters. The rate is the same as the National Minimum Wage rates, which are uprated annually on 1 April. This instrument is necessary to amend the existing rates so that they align with the new rates coming into force from 1 April 2025.

5.2 The 2024 Regulations also set out the timelines in which harbour authorities must request declarations from operators to confirm that they are complying with their

obligations. The timelines are 28 days starting from either of two relevant dates. Following the publication of the regulations, we have received feedback from harbour authorities that one of these relevant dates is causing confusion. This instrument will amend that date so that the timeline is more logical.

***What was the previous policy, how is this different?***

5.3 The changes to the National Minimum Wage equivalent rates are:

| | **21 and over** | **18-20** | **Under 18** | **Apprentice** |
|---|---|---|---|---|
| **Current rates from April 2024** | £11.44 | £8.60 | £6.40 | £6.40 |
| **New rates from April 2025** | £12.21 | £10.00 | £7.55 | £7.55 |

5.4 In respect of the timeline change, the current requirement is for harbour authorities to request a declaration for the next relevant year (starting 1 December) within 28 days from either of (a) the date from which they have reasonable grounds to believe a service to be in scope, or (b) 1 January before the start of the relevant year (whichever is later). However, in respect of option (b), that will mean that it will be requested 11 months before the start of the relevant year to which they relate. This SI will amend this provision so that, in respect of option (b), harbour authorities have 28 days from the beginning of the relevant year. This will provide greater certainty for harbour authorities. The declaration will still cover the whole 12 month period from 1 December-30 November.

## 6. Legislative and Legal Context

***How has the law changed?***

6.1 The instrument amends the rates in regulation14 (1) of the 2024 Regulations.

6.2 The instrument amends one of the timelines for requesting declarations in regulation 5(2).

***Why was this approach taken to change the law?***

6.3 This is the only possible approach to make the necessary changes.

## 7. Consultation

***Summary of consultation outcome and methodology***

7.1 There was a public consultation on the 2024 Regulations. The government response was published on gov.uk[1]. A hard copy can be inspected by appointment at the Department for Transport.[2]

7.2 The Low Pay Commission carries out a wide-ranging consultation and fact-finding exercise before arriving at its recommendations for the National Minimum Wage,

[1] https://assets.publishing.service.gov.uk/media/67078d4c080bdf716392f0fb/government-response-to-the-seafarers-wages-regulations-consultation-part-1-and-2.pdf
[2] Department for Transport, Great Minster House, 33 Horseferry Road, London SW1P 4DR

including taking written and oral evidence and making a series of visits throughout the UK. Details of this consultation are referred to in its 2024 report[3]. A hard copy can be inspected by appointment at the Department for Business and Trade.[4]

## 8. Applicable Guidance

8.1 The Seafarers' Wages Regulations Guidance [5]published on gov.uk will be updated with the changes.

## Part Two: Impact and the Better Regulation Framework

## 9. Impact Assessment

9.1 The impact of this legislation is considered in the enactment impact assessment for the Seafarers' Wages Act 2023 which was updated prior to the making of the 2024 Regulations. The impact assessment is published alongside the 2024 Regulations on the legislation.gov.uk website.

***Impact on businesses, charities and voluntary bodies***

9.2 The impact on business is that the legislation will increase costs for operators who do not already pay their seafarers at a level or above the NMWe to their seafarers. However, those that already pay above that level will benefit from a levelling of the playing field with their competitors.

9.3 It is not expected that many small or micro businesses will be impacted by the policy. The number of small businesses in scope is believed to be below 15, and no micro businesses are believed to be in scope.

9.4 If small businesses were in scope of the policy, it is expected that they would account for a disproportionately small share of the costs. Exemptions for small businesses were considered, but we concluded that on equity and efficiency grounds, this would not be justified. Seafarers should not be paid less because they work for a small business, and exempting small businesses would risk market distortion.

9.5 There are no additional costs to the public sector as a result of these changes.

## 10. Monitoring and review

***What is the approach to monitoring and reviewing this legislation?***

10.1 A statutory review clause is included in the 2024 Regulations. There will be a Post Implementation Review 5 years from the date they came into force, on 1 December 2024. The Department for Transport will continue to engage with stakeholders during this time to monitor the impacts of the legislation.

## Part Three: Statements and Matters of Particular Interest to Parliament

## 11. Matters of special interest to Parliament

11.1 None.

[3] https://www.gov.uk/government/publications/low-pay-commission-report-2024
[4] Department for Business and Trade, Old Admiralty Building, Admiralty Place, London, SW1A 2DY
[5] https://www.gov.uk/government/publications/complying-with-seafarer-wage-requirements

## 12. European Convention on Human Rights

12.1 The Parliamentary Under-Secretary of State for Aviation, Maritime and Security has made the following statement regarding Human Rights:

"In my view the provisions of the Seafarers' Wages (Amendment) Regulations 2025 are compatible with the Convention rights."

## 13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023.