

## FACTSHEET 16

### National Minimum Wage

The National Minimum Wage was enacted in 1999 and became effective on 1 April 1999. The minimum wage is the minimum amount of pay that workers aged 16 years or older are entitled to.

#### Who Can Get The Minimum Wage ?

The answer is most adult workers who are resident in the UK, have a written, oral or implied contract and who are not genuinely self employed. This excludes those under the age of 18, family members working in the family business, people working and living as part of a family ( eg housekeeper ) and voluntary workers .

#### What Is The Rate of National Minimum Wage ? ( At 6 April 2006 )

- Workers aged between 18 and 21 years should be paid no less than £4.25 per hour
- Workers aged 22 years or older should be paid no less than £5.05 per hour
- Workers aged 22 years or older who start a new job with a new employer and do accredited training should be paid no less than £4.25 per hour
- Workers aged 16 years who are no longer of compulsory school age and 17 year olds should be paid no less then £3.00 per hour.

Accredited training is a course approved by the UK Government to obtain a vocational qualification.

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## The Fine Detail of The National Minimum Wage

In addition to the proper application of the above rates there is a mass of other detail to be considered when looking at the national minimum wage. The DTI's guidance is contained in the October 2001 edition of 'A Detailed Guide to the National Minimum Wage' which runs to some 234 pages and touches on such areas as:

- Can benefits in kind, expenses, certain allowances, etc be included in the rate of pay?
- Can job related travelling and training time be included in the calculation?
- What if the pay is not time related as in the case of piece workers?
- If the family business is a limited company is the exemption for family members still valid?
- What records have to be kept to demonstrate that the national minimum wage has been paid?
- What happens if an employer does not comply?

**For further advice and before taking any action please give me a call.**

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