

Employer Services Payroll News



NATIONAL MINIMUM WAGE EFFECTIVE 1 OCTOBER 2010

Aged 21* and over:	£5.93 per hour
Age 18-20 inclusive:	£4.92 per hour
Aged 16 and 17:	£3.64 per hour
Accommodation offset:	£32.27 per week (£4.61 per day)

* The age limit was previously aged 22 and over but from 1 October will be applicable from 21 years of age

NEW RATE FOR APPRENTICES

A new rate will apply to those apprentices who are under 19 or those aged 19 or over but in their first year of their apprenticeship and those employed on government supported level 2 and 3 schemes. This rate of £2.50 per hour will apply from 1 October 2010.

PENALTIES FOR NON COMPLIANCE

Employers who fail to pay the minimum wage can face prosecution, risking a criminal record and a £5,000 fine.

EXCLUSIONS TO THE NATIONAL MINIMUM WAGE

The majority of workers age 16 and over qualify to receive the national minimum wage. Exclusions from the right include au pairs, family members in the family business, voluntary workers and apprentices over 19 and in the first 12 months of employment or under the age of 19.

CALCULATING THE MINIMUM WAGE

Calculating whether an employee has been paid the national minimum wage can be very complicated. In essence, the employer should divide the amount of gross pay by the number of hours worked, but there are different rules relating to different types of work.

RECORDS

Employers must keep records to show that they have paid their workers the national minimum wage for three years after the pay reference period that the records cover.

If you would like further information on any of the above matters please contact our payroll bureau in Preston on 01772 821021 or Lancaster on 01524 62801 or e-mail payroll@mooreandsmalley.co.uk



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