

## A quick guide to the National Minimum Wage & Living Wage

### The National Minimum Wage

The National Minimum Wage (NMW) is the minimum pay per hour most workers are entitled to by law. The rate will depend on a worker's age and if they are an apprentice. Any changes to the rate are usually introduced in April each year.

#### Key Points

- ♥ Most workers over school leave age will be entitled to receive the NMW.
- ♥ The NMW rate is reviewed annually by the Low Pay Commission.
- ♥ The minimum rate depends on the age of the worker.
- ♥ HM Revenue & Customs (HMRC) can take employers to court for not paying the NMW.
- ♥ There are a number of exemptions to those who receive the NMW. These do not relate to the size of the business, sector, job or region.
- ♥ The compulsory National Living Wage is the national rate set for people aged 25 and over.
- ♥ The NMW rates and NLW rates are updated each April.

The rates from 1st April 2019 are:

- ♥ £8.21 for workers 25 and over
- ♥ £7.70 21-24 yrs
- ♥ £6.15 for 18-20yrs
- ♥ £4.35 for under 18
- ♥ £3.90 for apprentices under 19
- ♥ £3.90 for apprentices over 19 who are in the first year of apprenticeship.
- ♥ It is important to note that these rates, which come into force 1st April 2019, apply to pay reference periods beginning on or after that date.

#### Exemptions

There are a number of people who are not entitled to the NMW.

- ♥ Self-employed people.
- ♥ Volunteers or voluntary workers.
- ♥ Company directors.
- ♥ Family members, or people who live in the family home of the employer who undertake household tasks.

All other workers including pieceworkers, home workers, agency workers, commission workers, part-time workers and casual workers must receive at least the NMW.

## Who will be entitled to the National Living Wage?

Generally all those who are covered by the National Minimum Wage, and are 25 years old and over, will be covered by the National Living Wage these include:

- ♥ employees
- ♥ most workers and agency workers
- ♥ casual labourers
- ♥ agricultural workers
- ♥ apprentices who are aged 25 and over.

## Penalties for failure to comply

With the introduction of the National Living Wage the penalty for non-payment is a maximum fine for up to £20,000 per worker. However, employers who fail to pay will be banned from being a company director for up to 15 years.

For more information on The National Minimum Wage or the National Living Wage, visit [www.acas.org.uk](http://www.acas.org.uk)