

NATIONAL MINIMUM WAGES:

The national minimum wage provides employees with decent minimum standards and fairness in the workplace. The website to visit is www.dti.gov.uk/employment/pay/national-minimum-wage/index.html

It applies to nearly all workers and sets hourly rates below which pay must not be allowed to fall. It helps business by ensuring companies will be able to compete on the basis of quality of the goods and services they provide and not on low prices based predominantly on low rates of pay. The rates set are based on the recommendations of the independent Low Pay Commission.

SINCE OCTOBER 2006:

The minimum wage is a legal right which covers almost all workers above compulsory school leaving age. There are different minimum wage rates for different groups of workers as follows:

- The main rate for workers aged 22 and over increased on 1 October 2006 to £5.35 an hour from £5.05 an hour.
- The development rate for 18-21 year olds increased to £4.45 an hour from £4.25 an hour
- The development rate for 16-17 year old increased to £3.30 an hour from £3.00 an hour
- On 1 October 2006 the rate of the accommodation offset increased to £29.05 per week (£4.15 per day) from £27.30 per week (£3.90 per day)

It is important to note that these new rates only apply to pay reference periods beginning on or after the date they came into law.

The Employment Equality (Age) regulations abolished the Older Workers Development Rate and removed the age limit on the apprenticeship exemption.

The government accepted the Low Pay Commission's recommendations for a new rate for 16 and 17 year olds (above compulsory school leaving age) in their 2004 report. This increased to £3.30 in October 2006. NB: 16 and 17 year old apprentices are exempt from the young workers rate.

FROM OCTOBER 2007 the National Minimum Wage will increase again as follows:

- Adult rate (workers aged 22 and over) will increase to £5.52.
- Development rate for 18-21 year olds will increase to £4.60.
- Development rate for 16-17 year olds will increase to £3.40
- The rate for the accommodation offset will increase to £30.10 per week (£4.30 per day).

COMPULSORY SCHOOL AGE:

In England and Wales: a person is no longer of compulsory school age after the last Friday of June of the school year in which their 16th birthday occurs.

In Northern Ireland: a person is no longer of compulsory school age after the 30th June of the school year in which their 16th birthday occurs.

In Scotland: pupils whose 16th birthday falls between 1st March and 30th September may not leave before the 31st May of that year. Pupils aged 16 on or between 1st October and the last day of February may not leave until the start of the Christmas holidays in that school year.

MORE INFORMATION:

For further information or if you think you are being underpaid and want to complain, or if you think your staff might be and need advice, call the minimum wage helpline on 0845 6000 678

All complaints about underpayment of the national minimum wage are treated in the strictest confidence and callers may remain anonymous if they wish to do so.

If you have an unanswered question on general policy you can contact the national minimum wage policy team at the DTI by email using DTI.Correspondence@dti.gsi.gov.uk. However, queries about the application of the national minimum wage or about individual cases should be directed to the helpline.