

National Living Wage

National living wage

The National Living Wage came into force on 1 April 2016. This is a 50p premium to be paid on top of the National Minimum Wage for workers aged 25 and over, meaning these employees must receive at least £7.20 per hour.

Current rates

As of 1st April 2016 these are the rates of the National Minimum Wage and National Living Wage

- 25 and over £7.20 per hour
- 21 to 24 £6.70 per hour
- 18 to 20 £5.30 per hour
- Under 18 £3.87 per hour
- Apprentices £3.30 per hour



Is this relevant to me?

The National Minimum Wage came into effect on 1 April 1999. It is relevant to all accommodation providers that have employees, regardless of the size of the business. The National Minimum Wage is enforceable by HM Revenue and Customs (HMRC).

If HMRC find that you have underpaid any of your staff, they can issue a Notice of Underpayment requiring the employer to repay arrears to their staff (paid at the current minimum wage rate) and pay a penalty to the Government. The penalty is 100% of the total underpayment, with a maximum of £20,000.

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What counts as part of a wage?

Included

In addition to basic pay, certain other payments may count towards the National Minimum Wage, including:

- bonuses
- incentives
- accommodation
- money for items such as clothing and shoes where the worker can decide where to buy the items

Excluded

Other additional payments are excluded, including:

- premium payments for overtime or shift work
- special allowances
- expenses
- tips, service charges or any other type of gratuity
- expenditure on items such as clothing and tools related to work
- all benefits in kind, including meals, except accommodation

Accommodation offset

If you provide accommodation to a member of staff, you are entitled to offset an amount for this against the National Minimum Wage. If the accommodation is provided free of charge, the daily rate of the accommodation offset is £5.35 a day for each day that accommodation is provided.



Source: visitbritain.org

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