



HM Revenue  
& Customs

# National Minimum Wage and The Social Care Sector

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# The National Minimum Wage

NMW Introduced on 1 April 1999

In 1999 Workers aged 22 and above entitled to £3.60 per hour

In 2014 workers aged 21 and above entitled to £6.31 per hour

NMW Enforced by HM Revenue and Customs

Pay & Work Rights Helpline 0800 917 2368



# NMW Rates

A rate for workers aged 21 years and above £6.31

A development rate for workers aged 18 – 20 years inclusive £5.03

Workers under age 18 but above compulsory school leaving age £3.72

Apprentices who are either under 19 or in the first year of their apprenticeship.  
£2.68 per hour

Accommodation offset £4.91 per day (£34.37 weekly maximum)



# Future NMW Rate Rises and Increased Civil Penalties

NMW Rates increase from 1 October 2014 to

£6.50, £5.13, £3.79 and £2.73 per hour

Civil penalties increase for pay reference periods from 7 March 2014

Maximum civil penalty increases from £5000 to £20,000

50% reduction of civil penalty remains for early payment



# HMRC NMW Investigations and the Social Care Sector

Worker Driven Complaints

Third Party Information

Risk Based Analysis

Over 50% of NMW investigations in Social Care Sector identify NMW failures



# Social Care Sector – Known NMW Risks

Unpaid Hours (Training time & Induction training & shadowing)

Travel Time (Travel between visits)

Premium Rates of Pay (enhanced rates of pay)

Deductions from a workers wages and expense payments made by workers

Worker Type (Time v Unmeasured Workers)



# What Employers Need To Do

Check that hourly rates are in line with NMW requirements

Ensure records are sufficient to establish payment of NMW

Repay any workers not receiving NMW before HMRC contacts you

Take any action recommended in future HMRC NMW correspondence

Contact HMRC or the Pay & Work Rights Helpline for further advice and assistance



# Helpful Links

[www.gov.uk/national-minimum-wage-rates](http://www.gov.uk/national-minimum-wage-rates)

[www.hmrc.gov.uk/payerti/payroll/pay-and-deductions/nmw.htm](http://www.hmrc.gov.uk/payerti/payroll/pay-and-deductions/nmw.htm)

[www.gov.uk/government/organisations/low-pay-commission](http://www.gov.uk/government/organisations/low-pay-commission)

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# Payment of the National Minimum Wage

Any Questions?





HM Revenue  
& Customs

Thank you

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