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SUCCESS AND CHANGE OF NATIONAL MINIMUM WAGE

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Recent figures released by the DTI confirm that enforcement of the minimum wage is working well and that compliance officers are effectively identifying cases and investigating complaints.

Commenting on the figures, Employment Relations Minister Alan Johnson said "the minimum wage is a great success story but success has not made us complacent. Substantial extra funds are going into enforcement, we have 20 more compliance officers and the number of enforcement teams around the UK has been increased from 14 to 16".

The figures also draw attention to the fact that a number of wage arrears orders have come as a result of companies not understanding the rules applicable for apprentices and individuals provided with free accommodation, with the result that the minimum wage was not being paid. It is important, therefore, for employers to make sure that their understanding of the rules is accurate.

Finally, as pointed out in the Employment E-Brief 1 (15th May 2002) around 1.5 million low paid workers will be entitled to higher minimum rates of pay when the minimum wage increases come into effect from 1 October 2002. The main rate for workers aged 22 and over will be increased to £4.20 per hour, and the development rate for workers aged 18 - 21 will increase to £3.60 per hour.

Monday 30<sup>th</sup> September 2002

