

Employment E-Brief No 82

NATIONAL MINIMUM WAGE INCREASES

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1st October 2004 sees the annual increase in the National Minimum Wage. Additionally, this year it has been extended to an age group previously excluded from it. For pay periods which begin on or after 1st October 2004:

- The main adult rates will increase from £4.50 to £4.85 per hour, and the development rate (for those aged between 18 and 21 and others who qualify) will be increased from £3.80 to £4.10 per hour.
- A new rate of £3.00 per hour will be introduced for those above the compulsory school age, but below 18. Note though this is not applied to employment under specified Government Training Schemes, including the Scheme known as Get Ready for Work.
- An increased rate of £3.75 per day will need to be taken into account as payment to workers where the employer provides accommodation without receiving payment for it from that worker.

In addition, from 1st October 2004, a new method of calculating the National Minimum Wage for output work (irrespective of whether that work is done from home or the employer's premises) will be introduced. Output work is work paid by reference to the output of the worker (whether it be per piece or per transaction). For further information on the rules on output work calculations, please respond to this E-brief.

30th September 2004