

# National Minimum Wage (NMW)



**The National Living Wage or Minimum Wage (NLW or NMW) is the lowest amount which employers should legally pay workers who are entitled to it. So you should know your rights, and if you think you are not being paid enough, what you can do about it!**

## How much is the NLW or NMW?

There are four NMW rates and they usually change on 1 October each year. In addition, a new Living Wage was introduced from 1 April 2016. The rates are:

Age	NLW or NMW per hour (£)
25 and over	7.50
21 and over	7.05
18 - 20	5.60
Under 18	4.05
Apprentices *	3.50

\*For apprentices aged 16-18 and those aged 19 or over who are in the first year of their apprenticeship. Apprentices aged 19 or over and past the first year get either the 18-20 rate, the 21 and over rate or the 25 and over rate above, per their age.



## Who should get the NMW?

You qualify for the NLW or NMW if you meet the following conditions:

- you are a 'worker' according to the NMW definition
- You are working, or ordinarily work, in the UK under your contract, and
- You are no longer of compulsory school age.

### ***Do I have to have a written contract to get the NLW or NMW?***

No. The contract may be made orally or simply implied by the actual working arrangements.

## What is a 'worker' in terms of the NMW?

Included in the definition of a 'worker' are:

- agency workers
- apprentices
- trainees
- charity workers (but voluntary workers are usually excluded – see list below)
- those on work experience placements (such as students where this is outside their course)
- company directors, if they have an employment contract
- some home workers unless they are genuinely self-employed.

Excluded from being a 'worker' are:

- those in the armed forces
- some company directors and 'office holders'
- those on certain Government schemes, such as 'Programme Led Apprenticeships' in England
- voluntary workers if broadly they receive no monetary payments or benefits in kind, other than reimbursement of actual, reasonable expenses.

### Live-in services – au pairs, nannies, etc.

You may not get the NLW or NMW if you do work relating to the family household of your employer, if certain conditions are met. You are **not** a 'worker' in terms of NLW or NMW if you:

- live in your employer's family home (that is, you are not a family member but are treated as such)
- are not required to pay for the provision of accommodation, **and**
- your work would not be treated as employment if it were performed instead by a family member.



### I am an intern/on work experience. Do I get the NLW or NMW?

You may be entitled to the NLW or NMW if you are an intern or on work experience. It is the employer's responsibility to decide whether you are entitled to the NLW or NMW, but you should check your rights to make sure you are getting it if it is due.

You may be entitled to the NLW or NMW if:

- you are performing unpaid work experience with the understanding of getting paid employment afterwards
- you are performing work activities for an organisation that is not a charity or as part of your course even if you have been described as 'unpaid or 'a volunteer' in an oral or written contract
- you are working but, instead of wages, you are offered incentives such as free concert tickets.

You are **not** entitled to the NLW or NMW if:

- you are on a placement relating to your course which, lasts for less than 12 months
- you are volunteering for a charity or voluntary organisation, are under no obligation to volunteer at specific times and are only receiving limited and specific expenses such as travel costs
- you are work shadowing and are only observing and not performing work-related tasks
- you are participating in a government scheme to provided training and work experience
- you are participating in EU Lifelong Learning Programmes.

Further information on interns and work experience can be found on the [GOV.UK](http://GOV.UK).

### How do I calculate the NLW or NMW?

Working out the NLW or NMW can be complicated. Briefly, you:

<p><b>1.</b> Start with your gross pay – the monetary amount you get (basic salary, bonuses and overtime payments and so forth) before deductions of tax and National Insurance contributions.</p>	<p><b>4.</b> Work out what your employer is allowed to deduct without breaking NLW or NMW rules – for instance, a deduction ('offset') of up to £6.40 a day in return for providing you with living accommodation.</p>
<p><b>2.</b> Ignore most things the law requires your employer to take out, like tax, National Insurance contributions and student loan repayments.</p>	<p><b>5.</b> Take your total earnings from steps 1 to 4 above and divide them by the number of hours you work. Working out your hours of work can be complicated if you are just paid per item you produce or a flat rate regardless of hours worked. But for many typical student jobs, the number of hours should be straightforward – for example, you will probably be paid by the hour for working a shift in a bar or similar.</p>
<p><b>3.</b> Ignore some other terms, like pension contributions your employer makes for you or tips paid by customers.</p>	

## Accommodation – students working at their college and living on campus

Colleges and universities are exempt from the accommodation ‘offset’ rules mentioned in step 4 above for students who are:

- enrolled in full-time higher education or on a further education course
- provided with accommodation by the college or university, and
- independently of the provision of the accommodation, are employed part-time by the college or university.

## Working out the NLW or NMW sounds complicated – where can I get help?

The GOV.UK website provides a [National Minimum Wage calculator](#) which can help you to estimate whether or not you are getting the NMW.

## What do I do if I don't think I'm getting the NLW or NMW?

First, you should seek help in checking your sums. There is a government ‘pay and work rights helpline’ to assist you, available Monday to Friday 8am - 8pm and Saturday 9am - 1pm:



Telephone: 0300 123 1100

Text Relay (for those with impaired hearing or speech): 18001 0300 123 1100

Or you can use an [online enquiry form](#).

If you then think you have not been paid the NLW or NMW, try talking to your employer. If you cannot resolve matters that way, you can take further action, either by:

- making a complaint to the authorities, or
- complaining further to your employer and possibly eventually to an employment tribunal.



## Complaining via the authorities

The tax authorities, HM Revenue & Customs (HMRC), are responsible for enforcing the NMW rules and can investigate cases, for example when workers make a complaint that they have not been paid the NMW.

The above telephone helpline can assist with complaints, or you can use an [online complaint form](#).

If they find in your favour, HMRC can order back-payments of NLW or NMW.

## Complaining to your employer/employment tribunal

If you are not satisfied with your discussions with your employer, you can write to them asking to see their payment records, which must be kept for at least three years.

Within 14 days of receiving your written request, the employer must produce the records at an agreed time and place. If they fail to do so, you may complain to an employment tribunal within three months. If the complaint is upheld, the employer will be required to pay you an amount that is 80 times the NLW or NMW rate at the time of the award.

## Should I worry about losing my job if I complain?

NMW law should protect you against unfair dismissal or victimisation for attempting to assert your right to be paid the NLW or NMW. You can complain to an employment tribunal to enforce this protection.



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