
Calculating the National Minimum Wage: Time Work or Salaried Hours

The majority of UK workers should be paid the National Minimum Wage. Although you may believe you are paying the correct hourly rate, the Minimum Wage Inspection tool will look at the **actual** hours worked to ensure that there are no hours worked which are unpaid. If you pay your employees for the number of hours they are at work, they are doing “*Time Work*”. “*Salaried hours*” workers are paid in equal weekly or monthly instalments for an agreed basic number of hours over a year.

Time work

If you are paid for the number of hours you are at work (your pay goes up or down depending on the actual hours you work) it is likely you are doing time work. This includes workers who are paid piece rates but have to be at a factory for a set numbers of hours a day to produce their work.

Time workers must be paid the NMW for hours spent:

- *at work and required to be working or on standby near your workplace (but not on rest breaks)*
- *when kept at the workplace but unable to work because of machine breakdown*
- *travelling on business during normal working hours*
- *training or travelling to training during normal working hours*

Time workers don't need to be paid the NMW for hours spent:

- *travelling between home and work*
- *away from work on rest breaks, holidays, sick leave or maternity leave*
- *away from work because of industrial action*

Salaried hours work

If you are paid under your contract for a set basic number of hours a year, and get an annual salary paid in equal weekly or monthly instalments, you are a salaried hours worker. Your contract does not have to state your hours as an annual figure (for example, 2,000 hours a year), but it must be possible to work out from the contract what your basic annual hours are.

Salaried hours workers must be paid the NMW for hours spent:

- *at work and required to be working*
- *on standby, or on call, at or near the place of work*
- *when kept at the workplace but unable to work because of machine breakdown*
- *travelling on business during normal working hours*
- *training or travelling to training during normal working hours*
- *away from work on rest breaks, lunch breaks, holidays, sick leave or maternity leave, where these form part of your minimum hours under your contract*

The national minimum wage rates are as follows:-

	From 1 st October 2014 (Per Hour)	From 1 st October 2015 (Per Hour)
Apprentice **	£2.73	£3.30
Under 18	£3.79	£3.87
18 to 20	£5.13	£5.30
21 and over	£6.50	£6.70

*** This rate is for apprentices aged 16 to 18 and those aged 19 or over who are in their first year of apprenticeship. All other apprentices are entitled to the National Minimum Wages for their age.*

Should you have any queries, please do not hesitate to contact us:

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