

National Minimum Wage entitlement

The government sets a minimum amount you must get paid on average for the hours you work. This is called the National Minimum Wage (NMW) or the National Living Wage (NLW) if you're aged 25 or over.

1. Current rates for the minimum wage

The minimum wage rate varies depending on your age and whether you're an apprentice.

Wage band	Current rate from 1 April 2020	Previous rate (April 2019 to March 2020)
25 and over	£8.72	£8.21
21 to 24	£8.20	£7.70
18 to 20	£6.45	£6.15
Under 18	£4.55	£4.35
Apprentice	£4.15	£3.90

Minimum wage rates are reviewed every year. They usually change in April if there's an increase. [See when rate increases must be paid.](#)

[See previous minimum wage rates on GOV.UK.](#)

Who gets the apprentice rate

You're entitled to the apprentice rate if you're an apprentice aged:

- under 19
- 19 or over, and in the first year of your current apprenticeship agreement

If you're 19 or over and have completed the first year of your current apprenticeship, you're entitled to the minimum wage for your age.

Anyone who is employed as [an employee or worker](#) must get the National Minimum Wage or National Living Wage.

This is whether they are:

- full time
- part time
- doing training essential for the job
- working in a small or 'start-up' business

It also applies to:

- agency workers
- agricultural workers
- apprentices
- casual labourers, for example someone hired for one day
- casual workers
- employees on probation
- foreign workers
- home workers
- offshore workers
- seafarers
- workers paid by commission
- workers paid by the number of items made (piece work)
- zero-hours workers

The only types of work that are not covered are those who are:

- [self-employed](#) (by choice)
- a volunteer (by choice)
- a company director
- in the armed forces
- doing work experience as part of a course
- work shadowing
- under school leaving age

2. If you live in your employer's home

You're entitled to the correct minimum wage if you live in your employer's home, unless:

- you're a member of their family
- you're not a family member but share work and leisure activities and are not charged for meals or accommodation, for example an au pair

There are times when employees or workers will be entitled to a higher minimum wage rate, for example:

- if the government increases the rates (usually in April each year)
- if an employee or worker turns 18, 21 or 25
- if an apprentice turns 19, or finishes the first year of their current apprenticeship

The higher rate starts to apply from the next '[pay reference period](#)' after the increase. This means someone's pay might not go up straight away.

Example

There's a minimum wage rate increase on 1 April.

Sam gets paid monthly on the 15th of the month. The old rate will apply until Sam's next pay reference period starts on 16 April.

As a minimum, Sam should get paid:

- the old rate for 1 April to 15 April
- the new rate for 16 April to 15 May

3. Pay reference period

The 'pay reference period' is the period of time the pay covers. For example:

- if paid daily, the pay reference period is 1 day
- if paid weekly, the pay reference period is 1 week
- if paid monthly, the pay reference period is 1 month

The pay reference period cannot be longer than a month.

Use the [National Minimum Wage and National Living Wage calculator on GOV.UK](#) to check if:

- you're getting paid the National Minimum Wage or National Living Wage
- you've been paid correctly in previous years

On average, you must get the minimum wage for each 'pay reference period' (the period of time your pay covers).

You work out your average hourly rate using:

- your total ('gross') pay each time you're paid
- how many hours you worked for that pay

Example

You're paid weekly, work 40 hours a week and your weekly salary is £352 (before tax is taken out). You're 25 years old and not an apprentice.

Your average hourly rate is £8.80 (£352 divided by 40). This is above the minimum wage for a worker aged 25.

4. What does not count towards the minimum wage

Some parts of your pay do not count towards minimum wage. These parts include:

- tips and gratuities
- premium payments (for example, extra pay for working bank holidays or overtime)
- a loan from your employer
- a pay advance

Example

You're 22 years old and not an apprentice. You're paid weekly and work 40 hours a week.

Your total weekly pay before tax is usually £400. This usually includes £100 in tips, so you'll need to use £300 as the starting point to work out if you're getting the minimum wage.

Your average hourly rate is £7.50 (£300 divided by 40). This is below the minimum wage for a worker aged 22. Your employer needs to pay you at least £8.20 an hour not including tips.

Commission

Commission counts towards minimum wage.

Your total pay including commission must give you the minimum wage each time you're paid.

Your employer must 'top up' your pay if you have not made enough commission to earn the minimum wage.

What can be deducted from the minimum wage

Your employer is allowed to make some deductions that could leave you with less than the National Minimum Wage or National Living Wage in your take-home pay. This includes:

- tax and National Insurance contributions
- paying back an advance or overpayment
- pension contributions
- trade union fees
- a charge for accommodation provided by your employer (see [accommodation rate information on GOV.UK](#))

What cannot be deducted from the minimum wage

Some pay deductions and work-related expenses cannot reduce your pay below the minimum wage.

These include:

- tools
- uniforms
- travel costs (except getting to and from work)
- training courses

For example, you might be required to buy a uniform for work. This is allowed as long as your total pay minus the uniform cost is still above the minimum wage.

For more detailed information about what can and cannot be deducted, see [calculating the minimum wage on GOV.UK](#).

If you're not getting paid the correct National Minimum Wage or National Living Wage rate you can try resolving the issue with your employer.

If you cannot resolve with your employer, you could either:

- report to HMRC to investigate
- make a claim to an employment tribunal

5. Resolving directly with your employer

If you are not getting paid the minimum wage, you can try [raising the issue with your employer](#). If there has been a mistake, an informal chat can be the quickest way to resolve it.

It can help if you:

- show a copy of any calculations from the [National Minimum Wage and Living Wage calculator on GOV.UK](#)
- show other evidence, for example a copy of your payslips or employment contract
- say what you'd like to happen to resolve the issue

If a minimum wage issue cannot be resolved informally, you can make a formal complaint to your employer. This is called '[raising a grievance](#)'.

If you are not able to resolve the issue with your employer and feel you need to take things further, you can speak to an [Acas helpline](#) adviser who will explain possible next steps and the risks and benefits of each.

Acas advisers cannot tell you what to do, give legal advice or do calculations for you, for example calculate the National Minimum Wage.

Reporting to HMRC to investigate

If you have not been paid the minimum wage you are entitled to, you can make a complaint to HMRC (HM Revenue & Customs).

Complaints to HMRC can be anonymous.

HMRC has the power to investigate complaints about minimum wage, and can issue a notice for money owed to you. They can also fine employers and take them to court if they refuse to pay.

To report a complaint to HMRC, use the [pay and work rights complaints form on GOV.UK](#).

Making a claim to an employment tribunal

If you believe you have not been paid the minimum wage, you might be able to [make a claim to an employment tribunal](#).

If you make a claim, your most recent National Minimum Wage or National Living Wage underpayment needs to be within 3 months of the day you start your claim.

If you've been treated unfairly because of minimum wage

Your employer should not dismiss you or treat you unfairly (cause you 'detriment') if you:

- become entitled to a higher rate of the minimum wage
- assert your right to minimum wage
- make a complaint to HMRC

Detriment means unfair treatment that leaves you worse off, for example:

- reducing your hours
- overlooking you for promotions or development opportunities
- saying no to your training requests without good reason

If you feel you've experienced detriment or been dismissed because of minimum wage entitlement, you might be able to [make a claim to an employment tribunal](#).

Related content

[National Minimum Wage and Living Wage calculator on GOV.UK](#)

[/how-to-raise-a-problem-at-work](#)

[Call the Acas helpline](#)

It's against the law to pay below the National Minimum Wage or National Living Wage or to falsify pay records.

6. Investigation by HMRC

Anyone can report an employer to HMRC (HM Revenue & Customs) for not paying the minimum wage. The initial report can be anonymous.

If HMRC finds that an employer has not paid at least the minimum wage, they can send a notice of arrears plus issue a penalty for not paying the correct rate of pay.

HMRC can also take employers to civil court for not paying the National Minimum Wage or National Living Wage. The maximum fine for non-payment is £20,000 per worker. Employers who fail to pay can be named publicly and banned from being a company director for up to 15 years.

Taken to tribunal or court

Employers can be taken to an employment tribunal or civil court if an employee or worker feels they have:

- not been receiving the National Minimum Wage or National Living Wage
- been dismissed or experienced unfair treatment ('detriment') because of their right to the National Minimum Wage or National Living Wage
- been discriminated against because their age means they are entitled to a higher minimum wage rate

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