



Communications

Date: 15th September 2011

Employers and interns get clarity on minimum wage

Guidance providing greater clarity for businesses who offer work experience, placements and internships has been published today, as announced in the Social Mobility Strategy in April.

The updated guidance from Business Link and DirectGov includes advice on the payment of the National Minimum Wage (NMW) for work experience staff and interns, and clarifies when someone is entitled to this payment. The guidance also includes a new worker checklist for employers and examples of case studies, which aims to make sure that those who are entitled to the NMW receive it.

Entitlement to the NMW does not depend on a job title but on whether the arrangement they have with an organisation makes them a worker for NMW purposes. Where an individual is a worker - and no exemption applies – then they must be paid at least the NMW.

Employment Relations Minister Edward Davey said:

“Internships and work experience of all forms offer an excellent opportunity in helping to bridge the gap between education and the workplace. And for businesses it allows them access to a wide talent pool of some of our best and brightest who didn’t take the traditional route into a job.

“Fairness though is absolutely paramount with all placements. When a worker is entitled to the minimum wage, they should be paid it and we will continue to enforce the law. Today’s publication will help clarify this for employers and will also make sure that all interns and those on work experience placements have a better understanding of their entitlement to the minimum wage.”

In a Written Ministerial Statement to the Houses of Parliament, Edward Davey also published the Government's evidence to the Low Pay Commission for their 2012 NMW. The Low Pay Commission will report back in early 2012 with their findings and their recommendations for the NMW ratings.

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1. The full version of the guidance can be found here - www.businesslink.gov.uk/nmw.
2. When the minimum wage was launched in 1999, the main rate was £3.60. It is now set at £5.93 per hour. On the 7 April 2011 the Government announced the new NMW rates that will come into force on 1 October 2011.
 - The adult rate will increase by 15p to £6.08 an hour
 - The rate for 18-20 year olds will increase by 6p to £4.98 an hour
 - The rate for 16-17 year olds will increase by 4p to £3.68 an hour
 - The rate for apprentices will increase by 10p to £2.60 an hour.

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