



Department
for Business
Innovation & Skills

NATIONAL MINIMUM WAGE

Government response to the
Low Pay Commission's 2014
report

MARCH 2014

NATIONAL MINIMUM WAGE – GOVERNMENT RESPONSE TO THE 2014 LOW PAY COMMISSION REPORT

The main recommendations put forward by the Low Pay Commission concern the rates of the National Minimum Wage.

The Commission has recommended that the adult hourly rate of the National Minimum Wage should increase from £6.31 to £6.50. The Commission has recommended increasing the development rate which covers workers aged 18-20 years old from £5.03 to £5.13 and increasing the rate for 16-17 year olds from £3.72 to £3.79. It recommends that the apprentice rate should increase from at £2.68 to £2.73. It is recommended that these changes take place in October 2014.

The Commission has also recommended that the accommodation offset increases from the current £4.91 to £5.08 in October 2014.

The Government **accepts** all of the rate recommendations.

Government's response to individual recommendations in the Low Pay Commission's 2014 report

National Minimum Wage Rate Recommendations

We recommend that the adult rate of the National Minimum Wage be increased by 3 per cent, or 19 pence, to £6.50 an hour, from 1 October 2014.

We recommend an increase of 2 per cent in the Youth Development Rate to £5.13 an hour, in the 16-17 Year Old Rate to £3.79 an hour and in the Apprenticeship rate to £2.73 from 1 October 2014.

ACCEPT

Accommodation Offset

We recommend that the accommodation offset be increased by 3.5 per cent, to £5.08 a day, from 1 October 2014.

ACCEPT

Other Recommendations

Migrant Domestic Workers

We recommend that the Government should review the law, and take the next available opportunity to legislate and clarify the entitlement of migrant domestic workers to the National Minimum Wage.

NOTE

The Government fully agrees that non-compliance in this area needs to be reduced. As suggested by the LPC, we will look at this area of National Minimum Wage legislation and consider the full range of options to reduce non-compliance.

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