

## National Minimum Wage Naming Scheme

Round 22, 17 October 2025: Educational bulletin – Paying the correct rate of National Minimum Wage

### Introduction

The National Minimum Wage Naming Scheme exists to increase awareness of National Minimum Wage Legislation and to act as a deterrent to the minority of employers who may be tempted to underpay their workers.

This educational bulletin focuses on **paying the correct rate of National Minimum Wage and National Living Wage**.

This bulletin also includes some more general statistics regarding breaches of National Minimum Wage legislation in this naming round.

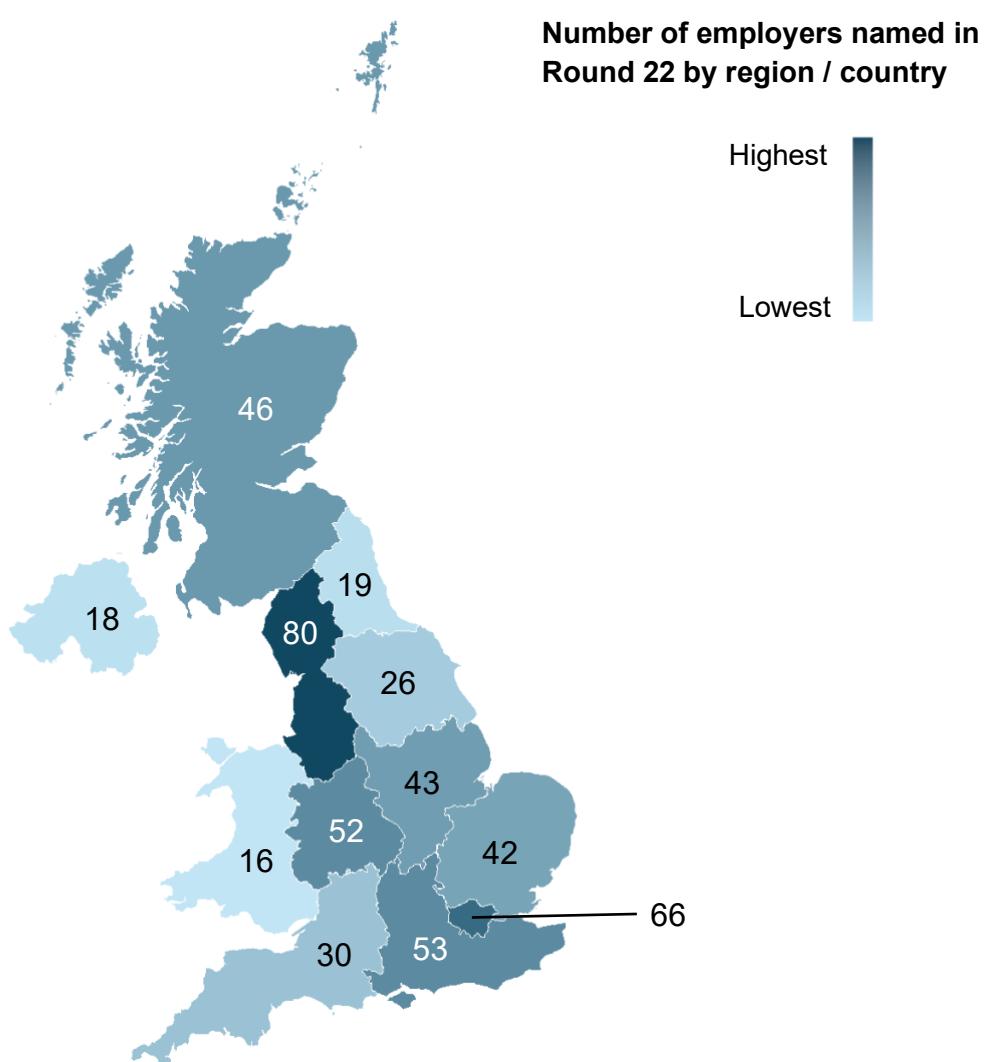
Information on how to make sure you're paying your workers the minimum wage can be found in [Calculating the Minimum Wage guidance](#).

**Figure 1. Number of employers named in Round 22 by region / country**



Department for  
Business & Trade

491 employers from across the UK were named as part of Round 22 of the Government's National Minimum Wage Naming Scheme



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Note: Geography information is based on the postcode from the employer's trading address. In some cases, this may not be where the minimum wage underpayment occurred.

## Reasons for minimum wage underpayment in Round 22

Table 1 shows the number of minimum wage breaches identified for employers named for underpayment of the minimum wage in Round 22. *Some employers had underpayments for more than one reason.*

- 39% of employers made deductions or reductions that reduce pay (190 [= number of cases]),
- 37% of employers failed to pay workers correctly for their working time (184),
- 21% of employers failed to pay the correct rate to apprentices (103).

**Table 1. Reasons for minimum wage underpayment in Round 22**

Type of underpayment	Further information	Number of employers named
Reductions/ deductions or payments that take pay below the minimum wage	<p>Deductions, including reductions in salary, may include:</p> <ul style="list-style-type: none"> <li>• Food / meals</li> <li>• Parking permits and/or travel costs</li> <li>• Cost of, or lost, work equipment and / or personal protective equipment (PPE)</li> <li>• Stock or till shortage</li> <li>• Training costs</li> <li>• Christmas savings schemes</li> <li>• Uniform</li> <li>• Childcare costs</li> <li>• Salary sacrifice schemes e.g. cycle to work, pension and employer benefit schemes</li> <li>• Worker purchase of clothes to meet dress code</li> </ul>	190
Unpaid working time takes pay below the minimum wage	<p>Unpaid working time includes:</p> <ul style="list-style-type: none"> <li>• Additional work before and after a worker's shift</li> <li>• Rounding clock-in time to the nearest hour, half hour or 5 minutes.</li> <li>• Unpaid travel time</li> <li>• Issues with final pay where employment has come to an end</li> <li>• Pay is delayed / underpaid due to cashflow / cessation in trading / or ad hoc payments</li> </ul>	184

	<ul style="list-style-type: none"> <li>• Paid for 'regular' hours or day rate, but a worker has worked for more time than this</li> <li>• A salaried hours worker has worked in excess of basic hours</li> <li>• Time for undertaking mandatory training</li> <li>• Time worked during a sleep-in shift</li> <li>• Trial shifts</li> <li>• Overtime</li> </ul>	
Failure to pay the correct rate to apprentices	<p>This includes instances where a worker:</p> <ul style="list-style-type: none"> <li>• Is an apprentice aged over 19, has completed the first year of their apprenticeship and is still paid the apprentice rate</li> <li>• Is incorrectly classified as an apprentice and paid the apprentice rate</li> <li>• Has finished their apprenticeship but has not had their pay increased to reflect the age-appropriate higher minimum wage rate to which they are entitled</li> </ul>	103
Failure to pay the uprated minimum wage	<p>This includes:</p> <ul style="list-style-type: none"> <li>• Failure to increase a worker's pay when they become eligible for a new, higher minimum wage rate following a birthday</li> <li>• Failure to uplift after the increase to the minimum wage rates on 1 April</li> </ul>	77
Failure to correctly apply the accommodation offset	<p>This includes:</p> <ul style="list-style-type: none"> <li>• Accommodation charge above the accommodation offset rate therefore reducing pay</li> <li>• Living accommodation not provided</li> </ul>	46
Incorrect work type	<p>Incorrect work type has impacted the calculation of National Minimum Wage pay for example,</p> <p>incorrectly treating a worker as performing:</p> <ul style="list-style-type: none"> <li>• Salaried hours work (broadly speaking, paid an annual salary, under a contract for a basic number of hours each year)</li> <li>• Time work (broadly, paid according to the number of hours they work)</li> </ul>	20

	<ul style="list-style-type: none"> <li>• Output work (broadly, paid by the piece - the number of things they make or the tasks they complete)</li> </ul> <p>Unmeasured work (paid in any other way)</p>	
Worker status error	<ul style="list-style-type: none"> <li>• This includes instances where the worker is incorrectly treated as self-employed, or an unpaid intern that should be classified as a worker</li> </ul>	11
Other	<p>Any other reason for arrears which does not fit another category such as an hourly rate paid below NMW</p>	53

*Notes: Some employers had underpayments for more than one reason. This table therefore totals more than the 491 employers named in Round 22.*

**Reductions/ deductions or payments that take pay below the minimum wage** was covered in the Educational Bulletin accompanying Round 16; it was published on 13 December 2020, available [here](#).

**Failure to pay the correct rate to apprentices** was covered in the Educational Bulletin accompanying Round 17; it was published on 5 August 2021, available [here](#).

**Types of work and salaried hours work** was covered in the Educational Bulletin covering Round 18, it was published on 9 December 2021, available [here](#).

**Unpaid working time** was covered in the Educational Bulletin covering Round 19, it was published on 21 June 2023, available [here](#).

**Salary sacrifice** was covered in the Educational Bulletin covering Round 20, it was published on 20 February 2024, available [here](#).

**Apprentices and dress codes** was covered in the Educational Bulletin covering Round 21, it was published on the 29 May 2025, available [here](#).

The focus of the Educational Bulletin for Round 22 is **Paying the Correct Rate of National Minimum Wage**.

## **Paying the correct rate of National Minimum Wage**

The National Minimum Wage is the minimum hourly rate of pay due to eligible workers. The National Living Wage applies to workers aged 21 and over. For ease of reference, the term 'minimum wage' is used in this guide to cover both National Minimum Wage and National Living Wage.

Most workers who are over the compulsory school leaving age, generally over 16 years, and who work or ordinarily work in the UK are entitled to be paid at least the minimum wage.

## **National Minimum Wage Age Rates and Apprenticeship Rate**

The rate you must pay your employee generally depends on how old they are, with those aged over 21 generally being entitled to the National Living Wage.

There are currently 4 rates of minimum wage:

- **£12.21 (aged 21 and over)**
- **£10.00 (aged 18 to 20)**
- **£7.55 (aged under 18)**
- **£7.55 (apprentice rate)**

As a worker gets older, or progresses through their apprenticeship, they will become entitled to a higher minimum wage rate. Employers are responsible for holding accurate information about their workers and acting in a timely fashion to ensure that the appropriate rate is paid from the correct pay reference period.

Failure to sufficiently increase a worker's pay at the right time when a new minimum wage rate applies, is a common cause of underpayment.

## **Pay Reference Periods**

Minimum wage legislation requires that workers must be paid at least the minimum wage on average for all the hours worked in each pay reference period.

A pay reference period is the period of time for which someone is paid. It can be monthly, or any regular time period less than that (e.g. weekly or fortnightly), but never longer than a calendar month.

## **When minimum wage rates change**

The rates of minimum wage are reviewed each year, with new rates coming into effect in April. Since the National Minimum Wage was introduced in 1999, the rates have increased each year.

To view the current and historic minimum wage rates see:  
<https://www.gov.uk/national-minimum-wage-rates>

All workers who are paid the minimum wage rates will be affected by any annual rate increase. Workers who are paid just above the previous minimum wage rate may also be affected by these increases.

Minimum wage legislation requires that workers must be paid at least the minimum wage, for all the time worked in each **pay reference period**.

Rate increases must be applied by employers in the **first pay reference period** after the date on which the new rate applies.

The important timing is the period covered by the payment, not the date on which the worker is paid.

The annual rate increase is a common cause of underpayment of the minimum wage, as employers may be slow to, or may fail to, implement the new rates for their workers.

### **Example – Annual Rate Increase**

An employer operates a monthly pay reference period which runs from the 10<sup>th</sup> of one month to the 9<sup>th</sup> of the next. New minimum wage rates are introduced on 1<sup>st</sup> April.

The employer needs to start paying the new rates in the first pay reference period after the new rates were introduced, so in this example from 10<sup>th</sup> April onwards.

### **Rate changes for apprentices**

To qualify for the minimum wage apprentice rate, a worker must be employed under a contract of apprenticeship or an apprenticeship agreement. A worker will also qualify for the apprenticeship rate if they are treated as employed under a contract of apprenticeship because they are engaged under particular government apprenticeship arrangements.

Apprentices under the age of 19 are entitled to the apprentice rate.

Apprentices who are aged 19 years and over are entitled to the apprentice rate during their first year of employment under that contract of apprenticeship or apprenticeship agreement. However, once the first year of their apprenticeship is completed, they are entitled to the higher age-related minimum wage rate appropriate to their age. For more information on apprentices, please visit [Employing an apprentice guidance](#).

### **Key Birthdays**

In the first pay reference subsequent to a worker reaching 18, 20 or 21 years of age, they will be entitled to a higher minimum wage rate. If employers fail to increase the worker's pay at the right time, this can result in workers being underpaid.

### **Example Scenario**

Please note: the scenarios below are based on the 2025/26 National Minimum Wage rates.

Joseph works in a coffee shop; he is currently 20 years old and was born on the 4<sup>th</sup> of September 2005.

Joseph is paid for the number of hours he works in the coffee shop and is currently paid the National Minimum Wage for his age of £10.00 per hour.

The coffee shop runs a monthly pay reference period, which starts on the 15<sup>th</sup> of the month, and runs to the 14<sup>th</sup> of the following month.

From the 15<sup>th</sup> of September 2025, Joseph will be entitled to the 21 and over rate of the minimum wage, which is £12.21. This is because it is the first pay reference period following on from Joseph's 21<sup>st</sup> birthday.

## **Record Keeping**

Employers' records must be sufficient to show that they are paying each worker at least the minimum wage for every pay reference period worked.

Employers must be clear on what elements count as pay for minimum wage purposes and they must ensure that any deductions made do not take the worker's pay below the minimum wage rate.

The records kept by the employers may include records of payments to workers, deductions and payments from workers, records of actual hours worked and proof of payment of wages (please note this list is not exhaustive).

From 1 April 2021, employers are required to keep records for a minimum of 6 years after the end of the pay reference period following the one that the records cover.

This applies to all records created after 1 April 2021 and also to all records which an employer was still required to keep immediately prior to 1 April 2021 under the previous requirement that records be kept for a minimum of 3 years.

For more information on record keeping, please visit

<https://www.gov.uk/guidance/calculating-the-minimum-wage/enforcing-the-minimum-wage#minimum-wage-record-keeping>

## **What to do if an underpayment(s) has been identified**

For workers: If you believe you have been underpaid, you can report this to HMRC using their online complaints form: <https://www.gov.uk/government/publications/pay-and-work-rights-complaints>. Reports can be made anonymously and HMRC will not disclose your identity to your employer. Every complaint is considered by HMRC and in most cases, they will contact you to gather more details.

Alternatively, you can contact the Acas helpline on 0300 123 1100 for free, impartial and confidential advice about your rights and entitlements and can pass on cases to HMRC for further consideration where appropriate. Acas also offer a translation service.

For employers: If this bulletin has highlighted some issues that you need to rectify, you must do this now and repay your workers. Then tell HMRC by submitting a voluntary declaration. Please email [voluntarydeclaration.nmw@hmrc.gov.uk](mailto:voluntarydeclaration.nmw@hmrc.gov.uk) to request the relevant form.

## Further information

[Calculating the minimum wage - Guidance - GOV.UK](#)

[Check Your Pay - Check Your Pay](#)

[Complain about pay and work rights - GOV.UK](#)

[Acas | Making working life better for everyone in Britain](#)

[Calculating the minimum wage - A checklist for employers - Guidance - GOV.UK](#)

If employers have any concerns about whether they are paying the correct minimum wage or need guidance on the appropriate records to keep to help meet their national minimum wage obligations, they can contact the Acas Helpline on 0300 123 1100 or visit their website for free, confidential and impartial advice.

For more information on National Minimum Enforcement see [National minimum wage law: enforcement](#), and for enforcement statistics from the 2023/24 financial year see the [Enforcement and Compliance Report](#).

**HMRC** also provide webinars to employers and workers on various topics regarding the National Minimum Wage - [HMRC email updates, videos and webinars for employing people - GOV.UK](#)

**National Minimum Wage channel:** [National Minimum Wage | GoToStage.com](#)

**Apprenticeship webinar:** [National Minimum Wage - apprentices and associated risks | GoToStage.com](#)

**Working time webinar:** [National Minimum Wage - what counts as working time | GoToStage.com](#)

## Annex A

**Table 2. Number of employers named in Round 22 by region / country**

Region	Number of Employers
North West	80
London	66
South East	53
West Midlands	52
Scotland	46
East Midlands	43
East of England	42
South West	30
Yorkshire and The Humber	26
North East	19
Northern Ireland	18
Wales	16
<b>Total</b>	<b>491</b>

Note: Geography information is based on the postcode from the employer's trading address. In some cases, this may not be where minimum wage underpayment occurred.