

People Update- National Minimum Wage Changes



Information correct as at 09:00am on 02.02.2024

National Minimum wage

Changes to the National Minimum wage apply from the 1st April 2024, and what an employee should be paid depends on their age. The new payment rates are set out below:

Age Range	April 2024
21 & over	£11.44
18 to 20	£8.60
Under 18	£6.40
Apprentice	£6.40

From April 2024 HMRC have also extended the National living wage to anyone over the age of 21 years old, this previously only applied to employees over the age of 23.

It is recommended that farm businesses take the time to review the wages of their current employees, to ensure the farm business is operating within the law. These changes must also be considered for the purpose of the annual budget.

Apprentices

It is also important to remember that the apprentice rate only applies to apprentices which are either under the age of 19 or are over 19 and in the first year of their apprenticeship.

Apprentices that are over the age of 19 and have already completed the first year of their apprenticeship are entitled to the minimum wage associated with their age.

Exemptions to the National Minimum wage

There are some exemptions to those entitled to the national minimum wage, including;

- Self employed workers
- Company Directors
- Placement Students who must complete a placement as part of their further or higher education course, which lasts for a period less than 1 year.
- Volunteers and those on work experience
- Workers younger than school leaving age (usually 16)

Employee Accommodation- Offset rates *

There is a limit on the 'value' an employer can put on accommodation, HMRC review accommodation offset rates annually and from April 2024 the maximum 'value' you can put on an employee's accommodation is £9.99/ day or £69.93/ week.

Farm businesses that value the accommodation higher than the HMRC accommodation offset rates need to make sure that the hourly rate paid to their employees meets the national minimum wage, based on average hours.

If a business is found to have been in breach of paying the national minimum wage, they will be liable to pay any under payments up to a maximum of 6 years and may be liable for fines of up to £20,000 per worker.

*Different terms may apply for anyone employed under the agricultural wages board

For further discussion or to help with any questions that you may have, please contact Consultant Support on consultantsupport@kiteconsulting.com or 01902 851007 / 07542 403225

