

National Minimum Wage Further Developments

The Director of Labour Enforcement, Sir David Metcalf, has released his first full strategy in which he makes a number of recommendations on National Minimum Wage.

We summarise the key takeaways from the United Kingdom Labour Enforcement Strategy below:

- There will be greater joint working and intelligence sharing between the enforcement bodies so expect more proactive enforcement. Sectors specifically identified include agriculture, care, hospitality, construction and factories/warehousing.
- Workers will become an additional channel for enforcement they will be better informed about their rights and complaints channels will be improved.
- The strategy recognises that Her Majesty's Revenue & Customs (HMRC) should improve its support and education of employers to reduce "accidental" non-compliance.
- Use and imposition of much more severe financial penalties for non-compliance – potentially in line with a company's annual turnover.
- The strategy recommends that non-compliant employers be charged a fee for intervention to allow HMRC to recover some of the enforcement costs.

- Greater use of naming and shaming the Department for Business, Energy and Industrial Strategy (BEIS) is now conducting naming rounds approximately every three months.
- Naming and shaming to feature more detail of breaches and a focus on more serious violations.
- Greater use of and publicity of prosecutions.
- Absence of or failure to keep records is now a standalone offence; HMRC will pursue this with increased vigour.
- Joint responsibility measures are being proposed brand names will bear joint responsibility for non-compliance further down the supply chain.

Our <u>webinar</u>, National Minimum Wage Rises — Why You Should Pay Heed, on Monday 25 June at 11:30 a.m. will highlight the key areas of risk and how you can prepare for an HMRC audit.