

## Topics

1. Change to National Minimum Wage
2. Apprenticeship and Training Pay
3. When Do you change your staff's rates

**We'd like to take this opportunity to remind you about the changes to the National Minimum Wage which comes into effect on 1<sup>st</sup> October 2010**

### CHANGES TO THE NATIONAL MINIMUM WAGE

The new National Minimum Wage rates from October are as follows:

**21 and over £5.93**

**18 to 20 £4.92**

**16 to 17 £3.64**

**Apprentices under 19 years £2.50**

**Apprentices over 19 but in 1<sup>st</sup> year £2.50**

**Note: The adult rate has been extended to start at 21 instead of 22, it is important you check all staff are on the correct rates. Also they have introduced an apprentice rate.**

### APPRENTICESHIP AND TRAINING PAY

From 1<sup>st</sup> October 2010 a new **NMW** rate for Apprentices has been introduced of £2.50 per hour.

You need to apply the £2.50 rate for all apprentices aged 16 to 18 and apprentices aged 19 and over who are in their first year. If you have an apprentice who is 19 or over and are not in the first year of the apprenticeship you need to apply the standard National Minimum rate for their age group.

Some young people train with a business without being employed by it. If this is a Programme Led Apprenticeship (**PLA**) they may be entitled to an Education Maintenance Allowance (**EMA**) up to £30

per week depending on the household income.

### **What is a PLA?**

Programme Led Apprenticeships are to help people start an apprenticeship without being in employment. They also enable employers, on a low budget to offer training opportunities.

Apprentices can begin studying at a learning provider until a suitable employer is found where they move to a full Apprenticeship framework.

### **Helpful contacts**

NMW Helpline: 0845 6000 678

EMA Helpline: 0800 121 8989

### WHEN DO YOU CHANGE YOUR STAFF'S RATES?

You are not obligated to change the rate during a pay period therefore you do not need to split hour staffs hours between the old rate and the new rate.

Simply change the rates from the first full pay period after the 1<sup>st</sup> October.

We will of course be posting out our annual notification letter covering the new NMW Rates with your Month 5 PAYE Summary.

If you need any assistance with this or any other issues please give us a call.

**Enquiries:** If there are any areas you would like to discuss further or have any queries, you can contact Rico Liverani, Managing Director or Sherree Patterson, Office Manager on 0191 5147009 we look forward to hearing from you, DCS Payroll.