

Draft laid before Parliament under section 51(5) of the National Minimum Wage Act 1998, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2006 No.

TERMS AND CONDITIONS OF EMPLOYMENT

**The National Minimum Wage Regulations 1999 (Amendment)
Regulations 2006**

Made - - - - - *2006*

Coming into force - - - *1st October 2006*

A draft of these Regulations was laid before Parliament in accordance with section 51(5) of the National Minimum Wage Act 1998(a) and approved by resolution of each House of Parliament:

The Secretary of State, in exercise of the powers conferred by sections 1(3), 2, 3 and 51 of the National Minimum Wage Act 1998 makes the following Regulations:—

Citation and commencement

1. These Regulations may be cited as the National Minimum Wage Regulations 1999 (Amendment) Regulations 2006 and shall come into force on 1st October 2006 immediately after the Employment Equality (Age) Regulations 2006(b) come into force.

Amendments to the National Minimum Wage Regulations 1999

- 2.—(1) The National Minimum Wage Regulations 1999(c) are amended as follows.
- (2) In regulation 11 (the rate of the national minimum wage), for “£5.05” substitute “£5.35”.
- (3) In regulation 13 (workers who qualify for the national minimum wage at a different rate)—
- (a) in paragraph (1), for “£4.25” substitute “£4.45”;
 - (b) in paragraph (1A), for “£3.00” substitute “£3.30”; and
 - (c) in paragraph (7), for “Paragraph (1) does” substitute “Paragraphs (1) and (1A) do”.
- (4) In regulation 36(1) (amount permitted to be taken into account where living accommodation is provided), for “£3.90” substitute “£4.15”.

(a) 1998 c. 39.

(b) S.I. 2006/1031.

(c) S.I. 1999/584. Regulation 11 of the National Minimum Wage Regulations 1999 was amended, and the amount increased, by S.I. 2000/1989, S.I. 2001/2763, S.I. 2002/1999, S.I. 2003/1923, S.I. 2004/1930 and S.I. 2005/2019. Regulation 13(1) was amended, and the amount increased, by S.I. 2000/1411, S.I. 2001/2763, S.I. 2002/1999, S.I. 2003/1923, S.I. 2004/1930 and S.I. 2005/2019. Regulation 13(1A) was inserted by S.I. 2004/1930 and regulation 13(7) was amended by S.I. 2006/1031. Regulation 36(1) was substituted by S.I. 2003/1923 and the amount referred to increased by S.I. 2004/1930 and S.I. 2005/2019. Other amendments to the National Minimum Wage Regulations 1999 are not relevant for the purposes of these Regulations.

Revocation Provision

3. The following provisions of the National Minimum Wage Regulations 1999 (Amendment) Regulations 2005^(a) are revoked—

- (a) regulation 2;
- (b) regulation 4(a); and
- (c) regulation 5.

Date

Parliamentary Under Secretary of State for Employment Relations
Department of Trade and Industry

^(a) S.I. 2005/2019.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the National Minimum Wage Regulations 1999 and come into force on 1st October 2006 immediately after the Employment Equality (Age) Regulations 2006. They increase the principal rate of the national minimum wage from £5.05 to £5.35 per hour. They also increase the rate to be paid to workers aged between 18 and 21 from £4.25 to £4.45 per hour and the rate to be paid to workers aged below 18 who have ceased to be of compulsory school age from £3.00 to £3.30 per hour.

The Regulations amend regulation 13(7) of the National Minimum Wage Regulations 1999, as amended by the Employment Equality (Age) Regulations 2006. This amendment ensures that it is clear that workers who do not qualify for the national minimum wage under regulation 12 are also not entitled to either of the rates set out in regulation 13.

In addition, the Regulations amend the per day value of the accommodation amount which is applicable where an employer provides a worker with living accommodation. The amendment increases the amount from £3.90 to £4.15 for each day that accommodation is provided.

The Regulations revoke previous provisions, which increased the principal hourly rate of the national minimum wage, the rate to be paid to workers aged between 18 and 21 and the daily value of accommodation amount.

A Regulatory Impact Assessment of the estimated costs and benefits of the rate increases has been placed in the libraries of both Houses of Parliament. Copies are available to the public from The Employment Relations Directorate, Partnership Branch, Department of Trade and Industry, 1 Victoria Street, London SW1H 0ET and on the DTI website at www.dti.gov.uk.

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