

### Example 1

A worker aged 45, takes a job paid £9.00 an hour for a 152 hour month (£1,368). The employer also provides accommodation and board for which he charges the worker £1,000 a month. Statutory deductions are made for POAT, MST and RPC (£96 a month in this example).

Net pay is therefore £272.

For the purposes of minimum wage calculations, 50% of the board and accommodation costs are added onto net pay (up to a maximum of £90.60 per week). In this example board and accommodation is charged at £392.60 (£90.60 x 52 / 12)

Total pay for minimum wage calculations is therefore £272 + £96 + 392.60 = £760.60

Hours worked per month are 152. Hourly wage equates to £5.00 which is below the minimum wage and the employer must take action to adjust the wage.

### Example 2

A worker normally receives £1,000 a month. In December she applies for, and receives a £300 loan from her employer. Her employer subsequently deducts £300 in January to repay the loan. Assuming that the whole of the standard pay of £1,000 counts towards national minimum wage pay, the loan is treated as follows:

	December	January
Money received	£1000 + £300 loan	£1000 - £300 repayment of loan
Total Amount that counts towards MW pay	£1,300	£700
	£1,000	£1,000

The deduction is ignored in January as it was already paid in December. Hence the worker continued to receive MW pay throughout the whole period.

### Why do I need to keep records?

Records will confirm the worker has been paid at least the minimum wage. Every worker has a right of reasonable access to their records. They can view these alone, or bring another person with them.

You are entitled to ask the worker for information relating to their work for the purposes of your record keeping, and the worker is under a duty to provide you with that information (e.g. timesheets).

### What if I am not paying the minimum wage?

If you are not paying the minimum wage, or refuse the worker access to their records, or they suffer detriment (including dismissal) relating to the minimum wage, the worker may be able to take action against you as the employer.

The worker can issue you with a 'production notice' requesting to see their records. Within 7 days you must respond to the worker giving reasonable written notice of a place and time at which the worker can view their records (which must be within 14 days of when you received the production notice, or can be at a later time agreed by you and the worker), or a written refusal notice explaining why you consider the request to be unreasonable.

If the issue is unresolvable, a claim can be brought to the Civil Summary Court for breach of the minimum wage legislation, or unfair dismissal and victimisation if the worker feels you have mistreated them because they are not receiving the minimum wage.

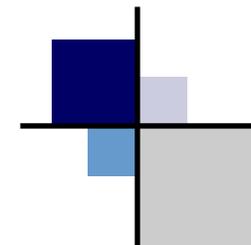
The burden will be on **you** as the employer to prove you have paid your workers the minimum wage.

**For more information or advice please contact the Taxation Office:  
Tel: +(500) 28470  
Email: [general@taxation.gov.fk](mailto:general@taxation.gov.fk)**



# Falkland Islands Government

## An Employer's Guide to the Minimum Wage



# The Minimum Wage

The National Minimum Wage (MW) is the minimum pay per hour workers who have a contract with their employer (either verbal or in writing) are entitled to by law.

## Who is entitled to the Minimum Wage?

Most types of workers are entitled to the MW, including:

- Full and part-time workers
- Temporary workers, casual workers and those on short-term contracts
- Apprentices
- Trainees or workers who are under probation aged 16 years and over
- Family members aged 16 years and over who have entered a contractual relationship with their relative as an employer
- Students aged 16 years and over who undertake work
- Commission workers
- Agency workers (paid by employer)
- Home workers (unless running their own business)
- Employees of Ministry of Defence (MoD) contractors
- Volunteers with the Falkland Islands Defence Force (FIDF)
- Disabled workers (excluding those on Falkland Islands Government supported schemes)
- Workers from outside the Falkland Islands
- Workers working outside FI who usually work within the FI but are temporarily working outside of FI
- Offshore workers (working within FI territorial waters regardless of location of employer)
- Seafarers employed within Falkland Island territorial waters (excluding fishermen).

## Who is **not** entitled to the Minimum Wage?

Those not entitled to MW include:

- People under 16 years of age
- Self-employed
- Work-experience students undertaking experience as part of their course which doesn't exceed 1 year
- Trainees on Government funded courses (excluding Apprenticeships)
- Serving members of the British Armed Forces
- Fishermen
- Prisoners and those serving Community Service
- Family and friends where jobs are informal arrangements without a contract
- Unpaid volunteer workers

## What is the Minimum Wage rate?

Workers aged **16 and 17** are entitled to receive the *Minimum Wage for Young People* £3.10 per hour

Workers aged **18 and over** are entitled to receive the *Adult Minimum Wage* £5.05 per hour

**All employers must pay their workers at least the minimum wage from the 1<sup>st</sup> December 2013.** You cannot ask your workers to work for less than the minimum wage and a worker cannot sign away their right to receive the minimum wage.

## Will the Minimum Wage rates change?

The Minimum Wage Legislation will be reviewed at least every 12 months. Following the review, changes **may** be made to:

- The minimum wage for adults
- The minimum wage for young persons or
- Both minimum wages.

Any changes to the rates will be published in the Gazette and employer's will have 3 months to comply.

## What counts as Minimum Wage pay?

Start with a workers net pay. Ignore any tips or salary advances but include bonuses, commissions or performance pay. Add on the statutory deductions such as MST, POAT, RPC and any payments to cover the service charge, plus any deductions for misconduct or poor work, or for pensions or savings schemes. There is no need to include anything for any benefits.

An allowance is made for employers providing board and accommodation (if it is charged to the worker), up to 50% of the charge/deduction of board and accommodation to a maximum of £90.60 a week (an employer can charge or deduct more than this maximum from a worker's pay, but this excess amount will not count towards MW pay).

## What does not count as minimum wage pay?

Tips, an advance of wages, loans, special allowances (such as on-call payments or working unsociable hours), expenses and benefits in kind are excluded in the calculation of the hourly wage.

## What do I need to do?

As an employer you must ensure your workers are paid at least the minimum wage from 1st December 2013. You should provide each worker with the booklet 'A Worker's Guide to the Minimum Wage'.

You must keep on record (either on paper, on computer or by some other means) records such as contracts, payslips and agreements. This information must be accessible on request and kept for **at least 6 years**.

Other records such as payments made including overtime and shifts, absences for sick leave or holiday, and any deduction of payment for board and accommodation provided by the employer should also be kept.