

Draft Regulations laid before Parliament in accordance with section 51(5) of the National Minimum Wage Act 1998 for approval by resolution of each House of Parliament

DRAFT STATUTORY INSTRUMENTS

2003 No.

TERMS AND CONDITIONS OF EMPLOYMENT

The National Minimum Wage Regulations
1999 (Amendment) Regulations 2003

Made - - - - 2003
Coming into force - - 1st October 2003

Whereas a draft of the following Regulations was laid before Parliament in accordance with section 51(5) of the National Minimum Wage Act 1998⁽¹⁾ and approved by resolution of each House of Parliament:

Now, therefore, the Secretary of State, in exercise of the powers conferred upon her by sections 1(3), 2, 3 and 51 of the National Minimum Wage Act 1998 hereby makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the National Minimum Wage Regulations 1999 (Amendment) Regulations 2003 and shall come into force on 1st October 2003.

(2) In these Regulations, the “principal regulations” means the National Minimum Wage Regulations 1999⁽²⁾.

Amendments to the Principal Regulations

2. In regulation 11⁽³⁾ of the principal regulations (the rate of the national minimum wage), for “£4.20” substitute “£4.50”.

3. In regulation 13 of the principal regulations (the rate for workers who qualify for the national minimum wage at a different rate)—

- (a) in paragraph (1)⁽⁴⁾, for “£3.60” substitute “£3.80”; and
- (b) in paragraph (2)⁽⁵⁾, for “£3.60” substitute “£3.80”.

(1) 1998 c39.

(2) SI 1999/584.

(3) Regulation 11 was amended, and the amount increased, by S.I. 2000/1989, S.I. 2001/2763 and S.I. 2002/1999.

(4) Regulation 13(1) was amended, and the amount increased, by S.I. 2000/1411, S.I. 2001/2763 and S.I. 2002/1999.

(5) Regulation 13(2) was amended, and the amount increased, by S.I. 2001/2763 and S.I. 2002/1999.

4. For regulation 36(1) of the principal regulations (amount permitted to be taken into account where living accommodation is provided) substitute—

“(1) The amount referred to in regulations 30(d) and 31(1)(i) is the amount resulting from multiplying the number of days in the pay reference period for which accommodation was provided by £3.50.”⁽⁶⁾

5. After regulation 36 of the principal regulations insert—

“Determining the applicable living accommodation amount

36A. Any amounts required to be determined for the purpose of regulations 30(d) or 31(1)(i) of these regulations in respect of any pay reference period shall be determined in accordance with the regulations as they are in force on the first day of the pay reference period.”

Transitional Provision

6. The amendments to the principal regulations made by regulation 4 do not apply in relation to any pay reference period (within the meaning assigned to that expression by regulation 10 of the principal regulations) beginning before 1st October 2003.

Revocation Provision

7. The regulations specified in the first column of the Schedule to these Regulations are hereby revoked to the extent specified in the second column thereof.

Department of Trade and Industry
2003

Parliamentary Under Secretary of State for
Employment Relations, Competition and
Consumers

⁽⁶⁾ Amendments were made to regulation 36(1) by S.I. [2001/2763](#).

SCHEDULE

Regulation 7

REVOCATIONS

Regulations	Extent of Revocation
The National Minimum Wage Regulations 1999 (Amendment) (No.2) Regulations 2001 (S.I.2001/2763).	Regulation 4.
The National Minimum Wage Regulations 1999 (Amendment) Regulations 2002 (S.I. 2002/1999).	Regulations 2 and 3.

EXPLANATORY NOTE*(This note is not part of the Regulations)*

These Regulations, which amend the National Minimum Wage Regulations 1999 (“the principal regulations”) and come into force on 1st October 2003, increase the minimum hourly rate of the national minimum wage from £4.20 to £4.50. They also increase the rate to be paid to those (including workers aged between 18 and 21) who qualify for the national minimum wage at a different rate, from £3.60 to £3.80.

In addition, the Regulations amend the principal regulations by altering the provisions relating to the valuation of accommodation in situations where a worker is provided with accommodation by the employer. The effect of this alteration is to provide (when valuing accommodation to determine whether the national minimum wage has been paid) that accommodation will carry a fixed amount per day value. This fixed daily amount is £3.50. The previous additional valuation method based on the number of hours worked will no longer be applicable.

The Regulations further amend the principal regulations by inserting a new regulation 36A. This provides that, in connection with the valuation of accommodation, any amounts to be calculated in respect of any pay reference period (which is defined in regulation 10 of the principal regulations) shall be calculated in accordance with the principal regulations in force on the first day of the pay reference period.

The Regulations contain transitional provisions which have the effect that the revised valuation of accommodation regulations only apply in relation to pay reference periods beginning on or after 1st October 2003.

The Regulations contain a revocation provision. This, firstly, revokes previous provisions relating to the valuation of accommodation and, secondly, revokes previous provisions which increased the minimum hourly rate of the national minimum wage and the rate paid to those who qualified for the national minimum wage at a different rate.

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 Employment Relations, P&S, Department of Trade and Industry, 1 Victoria Street, London SW1H 0ET and on the DTI website at www.dti.gov.uk.

Draft Legislation: This is a draft item of legislation and has not yet been made as a UK Statutory Instrument.