

## National minimum wage – naming and shaming

The government has confirmed that it will be reintroducing its policy of “Naming and Shaming” those employers who fail to pay their workers the National Minimum Wage or National Living Wage.

14 February 2020

In the week that a key National Minimum Wage case on sleep-ins reached the Supreme Court (*Royal Mencap Society v Tomlinson-Blake*), the government has confirmed that it will be reintroducing its policy of “Naming and Shaming” those employers who fail to pay their workers the National Minimum Wage or National Living Wage. The scheme, which was stopped in 2018 pending a review, will restart in April 2020 with a few changes in place – the threshold will be raised from arrears of £100 to arrears of £500 before employers will be named, but the frequency of public naming will increase in an attempt to improve its effectiveness as a deterrent.

This Naming and Shaming policy runs independently to the financial penalties applicable for non-compliant employers – including fines of up to 200% of the arrears. However, employers who offer salary sacrifice and deduction schemes will no longer be subject to financial penalties if the scheme brings the payment below the National Minimum Wage rate.

Minimum wage rates remain firmly in the spotlight with further changes anticipated through the proposed creation of a Single Enforcement Body. The Supreme Court’s decision on how sleep-ins should be treated will be awaited by affected employers with interest, given the significant financial implications (particularly within the already stretched care sector) of any finding in favour of National Minimum Wage being payable for hours sleeping.

## Contact



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