

January 2017

NATIONAL MINIMUM WAGE INCREASE January 2017

With effect from the 1st January 2017 the National Minimum Wage will be **increased to €9.25** per hour for an experienced adult worker. The application and how to calculate minimum pay is detailed below.

Applicable Employees

The full rate is applicable to any employee who is at least 18 years of age except as detailed below;

Employee	Minimum Hourly Rate of Pay	
	2016	JANUARY 2017
Experienced adult worker	€9.15	€9.25 * (100%)
Under age 18	€6.41	€6.48 *(70%)
First year from date of first employment over age 18	€7.32	€7.40 *(80%)
Second year from date of first employment over age 18	€8.24	€8.33 *(90%)
In structured training or study over age 18, undertaken in normal working hours		
1st one third period	€6.86	€6.94 *(75%)
2nd one third period	€7.32	€7.40 *(80%)
3rd one third period	€8.24	€8.33 *(90%)
NB. Each one third period must be at least one month and no longer than 12 months		
	*per working hour	

Who is an Experience Adult Worker?

An experienced adult worker is an employee who is not:

- under the age of 18 years,
- or in the first two years after the date of first employment over age 18,
- or a trainee undergoing structured training as defined by the Act.

Who does it not apply to?

The National Minimum Wage rate does not apply to the remuneration of a person who is;

- The spouse, father, mother, grandfather, step-father, step-mother, son, daughter, step-son, step-daughter, grandson, grand-daughter, brother, sister, half-brother or half-sister of an employer, employed by the employer, or
- An apprentice within the meaning of or under the Industrial Training Act, 1967, or the Labour Services Act, 1987.

Alternative minimum rates may be set down within Employment Regulation Orders (EROs) of the Joint Labour Committees or Registered Employment Agreements (REAs) created by Employment Collective Agreements between employers and Trade Unions.

Working Hours

Full time, part time, temporary or casual employees are all entitled to the national minimum wage for the following hours worked;

All hours where an employee carries out an activity for an employer including;

- overtime
- Time spent travelling on official business
- Time on authorised training/study during normal working hours

Excluding:

- Time on standby/on call away from place of work
- Time on authorised leave/notice or absent from work
- Travelling from residence to work or to place of training

Where an employee's hours of work are uncontrolled or unsupervised and their average pay would be not less than 150% of the minimum adult rate, they must maintain written records of hours worked and return these to the employer.

Structured Training

Structured Training must involve;

- Study or skilled training aimed at enhancing work performance,
- A minimum duration of three calendar months.
- The course involves at least 10% of directed study or training, which may be within or outside of normal working hours.

There must be an assessment and certification procedure or written confirmation that a course/training has been completed.

Calculation of Hourly Pay (Reckonable Pay)

Reckonable pay means payments that are allowable in calculating an average hourly rate of pay under this Act. The following payments may be taken into account when determining average hourly rate of pay.

- Basic Pay
- Shift Premium
- Piece/Incentive Rate.
- Commission
- Any payments under section 18 of the Organisation of Working Time Act, 1997 (zero hour protection)
- Productivity related bonuses
- Board and/or lodging
- Service charge paid through payroll

Note: overtime, call-out premium, service pay, weekend and public holiday premiums, unsociable hours premiums, tips or gratuities paid through the payroll and allowances for special or additional duties may not be included.

Pay Reference Period

The period of time over which you may calculate the average earnings (Pay Reference Period) may be a week, a fortnight and must not be longer than one month.

Employers are obliged to advise employees of the pay reference period they are selecting for calculations of minimum pay. Employees must be notified in writing as part of their Terms and Conditions of Employment.

An employee may request from his or her employer a written statement of the employee's average hourly rate of pay for any pay reference period (other than the employee's current pay reference period) falling within the 12 month period immediately preceding the request.

Employee Complaints

An employee may make a complaint to the Workplace Relations Commission to investigate allegations of failure by the employer to pay the National Minimum wage.

Such a referral must be within 6 months from the date of receipt of a written statement or from the latest date the employer should have given a written statement.

Employees may not refer a complaint before requesting a written statement from their Employer.

Victimisation of Employees

No employer may victimise another employee for exercising their rights.

Any employee so victimised who cannot resolve the matter with their employer may refer the matter to the Workplace Relations Commission or where dismissed, under the Unfair Dismissals Act 1977-2007.

This update is provided by the MSS HR Support Service

Further details on the Update or about our services may be obtained from

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A full list of our Employer Updates can be downloaded from our website:

www.mssirl.com