

Update from our Employment Team: October 2009

From 1 October 2009:

- **The National Minimum Wage** increases to **£5.80 per hour** for adults and **£3.57 per hour** for young workers. The accommodation offset rate is **£4.51** if your workers live on the premises.
- **Tips, service charges or gratuities** processed through your payroll cannot count towards the minimum wage.
- **The maximum week's pay** for calculating redundancy pay is **£380**.

From 5 October 2009:

- Educational institutions are becoming subject to the sponsorship regime and require a sponsorship licence. Students must have enough points under **Tier 4** of the points based system.
- **Students** who come to the UK to study may want to take a job while they study.
- If you employ students from overseas even as casual labour, make sure they have the right to work and that you have the right to employ them.
- **Tier 4 students** can work 20 hours a week part time and full time in vacations.

Employers must ensure they check students' eligibility to work.

- Fines are up to £10,000 per illegal worker (civil penalty) If you knowingly employ an illegal worker, you can also attract a prison sentence and/or fine (criminal penalty).

Know which checks to carry out and when to do them.

For more information, contact our Employment Team:

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