
STATUTORY INSTRUMENTS

1999 No. 584

The National Minimum Wage Regulations 1999

Interpretation

The meaning of salaried hours work

- 4.—(1) In these Regulations “salaried hours work” means work—
- (a) that is done under a contract to do salaried hours work; and
 - (b) that falls within paragraph (6) below.
- (2) A contract to do salaried hours work is a contract under which a worker—
- (a) is entitled to be paid for an ascertainable basic number of hours in a year (referred to in this regulation as “the basic hours”); and
 - (b) is entitled, in respect of hours that consist of or include the basic hours, to be paid an annual salary—
 - (i) by equal weekly or monthly instalments of wages, or
 - (ii) by monthly instalments of wages that vary but have the result that the worker is entitled to be paid an equal amount in each quarter,regardless of the number of hours in respect of which the worker is entitled to the annual salary that are actually worked by him (if any) in any particular week or month; and
 - (c) has, in respect of those hours, no entitlement to any payment other than his annual salary or no such entitlement other than an entitlement to a performance bonus.
- (3) A contract that satisfies the conditions in paragraph (2) does so—
- (a) whether or not all the basic hours are working hours;
 - (b) whether or not the worker can be required under his contract to work, or does in fact work, any hours in addition to the total of hours in respect of which he is entitled to his annual salary, and regardless of any payments made in respect of those additional hours.
- (4) Circumstances having the result that in practice a worker may not be or is not paid by equal instalments of wages, or by an equal amount in each quarter, for hours in respect of which he is entitled under his contract only to his annual salary do not prevent the contract from being a contract for salaried hours work, for example—
- (a) that a worker may be awarded a performance bonus,
 - (b) that the amount of a worker’s annual salary may be varied,
 - (c) that by virtue of regulation 22 or 23 the worker is entitled to the national minimum wage in respect of hours in addition to his basic hours when, under his contract, there is no entitlement to any payment in addition to his annual salary for those additional hours (or to no payment in addition other than a performance bonus), and
 - (d) that the worker’s employment may start or terminate during a week or month with the result that the worker is paid a proportionate amount of his annual salary for the week or month in question.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

(5) The fact that, by reason of an absence from work for hours in respect of which his annual salary is normally payable, a worker is entitled under his contract, in respect of those hours, to be paid less than he would be but for the absence or to no payment does not prevent the worker's contract from being a contract for salaried hours work.

(6) The work done under a contract to do salaried hours work that falls within this paragraph, and is therefore salaried hours work, is work in respect of which the worker is entitled to no payment in addition to his annual salary, or to no payment in addition to his annual salary other than a performance bonus.

(7) References in regulation 22 to work or hours of work in respect of which a worker is entitled to no payment other than his annual salary refer also to work or hours of work in respect of which the only payment to which the worker is entitled other than his annual salary is payment of a performance bonus.