

The Church of England
Guild of Vergers



National Minimum Wage and you.

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WHAT DOES THE NATIONAL LIVING WAGE MEAN TO THOSE WHO ARE IN TIED ACCOMMODATION?

This leaflet is provided to help you work out what is the National Minimum Wage, and the National Living Wage for those aged over 23, for someone with accommodation provided with their position. It is worth noting that some Churches (also read Cathedral or Chapel, as appropriate) may include some or all bills in with the housing package and or Council Tax, no matter the package the minimum wage must not go below the stated minimum.

What is the minimum wage?

The National Minimum Wage act of 1998 came into force on 1 April 1999 to ensure there was a fair minimum wage across the country, back then the minimum wage was £3.60 (adult (21+)) and £3.00 (Development Rate), from 1 April 2021 this has now risen, today's minimum/living wage is £8.91 (Adult), £8.36 (21–24), £6.56 (18–20), £4.62 (U18), and £4.30 (Apprentice).

But how does this relate to us, as Vergers who are housed?

The Government has set a figure for accommodation charges that should be taken into account when working out your minimum wage. This amount is £8.36 per day or £58.52 per week. The £58.52 offset is also inclusive of any bills or charges that your Church may also be paying, so they cannot make further deductions from your wage. It is worth noting that if you are paid above the minimum wage then your employer may charge what they wish for accommodation offset providing that it does not take you below the minimum wage.

Accommodation Offset

Accommodation provided by an employer can be taken into account when calculating the National Minimum Wage or National Living Wage.

No other kind of company benefit (such as food, a car, childcare vouchers) counts towards the minimum wage.

The accommodation rates are set in April 2021 for the year is £8.36 (daily) or £58.52 (weekly).

So how do we work it out?

Let us take Mr Simpson (who is 38 years old), is a Verger and is housed rent free (Council Tax paid by the Church, utility bills not included) he is paid £12,500.00 per annum, and is contracted for 36 hours per week.

Divide the annual wage by 52 (to get the weekly wage)

$$£12,500.00 \div 52 = £240.38$$

Now add the Accommodation offset of £58.52

$$£240.38 + £58.52 = £298.90$$

Now divide by the number of contracted hours, in this case 36

$$£298.90 \div 36 = £8.30$$

Therefore Mr Simpson's hourly rate, taking accommodation into account, is £8.30 this is £0.61 **below** the National Living Wage.

Or Mrs Jones (who is 27 years old), is a Verger and is housed (Council Tax, utility bills not included) she is paid £18,000.00 per annum, and is contracted for 36.25 hours per week and £4,400 per annum is taken from the salary.

Reduce annual wage by the Rent charged

$$£18,000.00 - £4,400.00 = £13,600.00$$

Divide the annual wage by 52 (to get the weekly wage)

$$£13,600.00 \div 52 = £261.54$$

Now add the Government Accommodation offset of £58.52

$$£261.54 + £58.52 = £320.06$$

Now divide by the number of contracted hours, in this case 36.25

$$£320.06 \div 36.25 = £8.83$$

Therefore Mrs Jones hourly rate, taking accommodation into account, is £8.83 this is £0.08 **below** the National Living Wage.

Using the table below (based on contracted hours) you can determine your minimum wage.

$([(£8.91 \times \text{hours}] - £58.52] \times 52 = \text{Annual salary (you will note for each contracted hour is equivalent to £463.32 salary)})$

36	£13,636.48	37	£14,099.80
38	£14,563.12	39	£15,026.44
40	£15,489.76	41	£15,953.08

No matter the amount your employer wishes to deduct from your salary for accommodation, your annual salary must not fall below the figures above (based on your contracted hours)

So what do you do if you are paid below the National Minimum Wage?

The first thing you should do is have a chat with your line manager, or Vicar to see if this can be resolved amicably, ask for your pay records.

If this still does not resolve anything you can contact the Acas Helpline on 0300 123 1100 (M–F 8–6) for advice.

If all else fails your employer may be taken to court by HMRC.

For more information

Acas Helpline on 0300 123 1100 (M–F 8–6)

www.gov.uk/national-minimum-wage-rates

www.gov.uk/national-minimum-wage-accommodation