

Press release: Record £15.6 million underpayment identified for workers on the minimum wage

- Record £15.6 million of underpayment identified for more than 200,000 workers
- Employers fined unprecedented £14 million for not meeting legal obligations
- More than 600 employers named in 2017/18 as part of 'naming' rounds
- Ramped up efforts by HMRC to crackdown on underpayment and boost compliance

Her Majesty's Revenue and Customs (HMRC) achieved record enforcement results this year, identifying £15.6million of underpayments.

The number of workers identified as underpaid was double that in 2016/17 and the highest number since the National Minimum Wage came into force.

In every case, the government instructs employers to repay their workers and enforces the return of the missing cash.

The rise in cases follows increased efforts by HMRC to promote compliance and improve employer awareness of the minimum wage.

Business Minister Kelly Tolhurst, said:

We are dedicated to stopping underpayment of the minimum wage. Employers must recognise their responsibilities and pay their workers the money they are entitled to.

The UK's lowest paid workers have had the fastest wage growth in 20 years thanks to the National Living Wage and today's figures serve as a reminder to all employers to check they are getting their workers' pay right.

Over the past year, 56 employers took advantage of a HMRC pilot scheme where employers were encouraged to come forward outside of an investigation. This resulted in nearly £250,000 in arrears being declared for just under 700 workers.

The year also set a new record for penalties issued by the government, with £14 million in fines issued to employers.

More than 600 employers who were found to have underpaid their workers the minimum wage were named in 2017/18. This is the largest number in any single year since the scheme began in 2014.

This year, the social care, retail, commercial warehousing and gig economy sectors have been prioritised by HMRC for enforcement of the minimum wage. This is alongside employment agencies, apprentices and migrant workers. These sectors are where non-compliance with National Minimum Wage is believed to be more widespread.

Penny Ciniewicz, HMRC Director General of Customer Compliance, said:

HMRC is committed to ensuring that workers receive the wages they are legally entitled to, irrespective of their employer's size or business sector, and today's figures highlight our success over the last year.

If anyone thinks they are not receiving at least the minimum wage, they can contact the Acas helpline on 0300 123 1100 in confidence or submit a query online through our complaints form.

Low Pay Commission Chairman Bryan Sanderson said:

All workers are entitled to be paid at least the minimum wage, so it is good to see increased focus on enforcement bearing fruit and securing more arrears for more workers.

Awareness of the minimum wage is vital for workers and employers alike, and strong enforcement is critical to its success.

Funding for minimum wage enforcement has reached record levels, rising to £26.3 million in 2018/19 from £20 million in 2016/17.

For more information about your pay, or if you think you might be being underpaid, get advice and guidance at www.gov.uk/checkyourpay. Workers can also seek advice from workplace experts Acas.

1. The report can be found here: [National Living Wage and National Minimum Wage: government evidence on compliance and enforcement, 2018](#).

2. Details of the 2017/18 businesses named in the government's naming scheme can be found here:

3. Employers who pay workers less than the minimum wage have to pay back arrears of wages to the worker at current minimum wage rates and face financial penalties of up to 200% of arrears, capped at £20,000 per worker.

4. National Living and Minimum Wage rates:

Date	25 and over	21 to 24	18 to 20	Under 18	Apprentice
April 2018	£7.83	£7.38	£5.90	£4.20	£3.70