News story: Government extends suspension of minimum wage enforcement in the social care sector

The government today (28 September 2017) announced a further <u>one-month</u> <u>suspension of minimum wage enforcement</u> concerning sleep-in shifts in the social care sector to minimise disruption to the sector and seek to ensure workers receive the wages they are owed.

This follows July's decision to waive all historic penalties in the sector where employers incorrectly paid workers a flat-rate for sleep-in shifts instead of hourly rates. This was in response to concerns over the combined impact which financial penalties and arrears of wages could have on the stability and long-term viability of providers.

Today's announcement will allow the government to establish how providers' back pay bills will affect vulnerable people's care. The evidence base will also ensure any intervention is proportionate and necessary and could be required to satisfy EU State aid rules on government funding for private organisations.

During this temporary pause, the government will develop a new enforcement scheme for the sector to encourage and support social care providers to identify back pay owed to their staff. This will help to minimise the impact of future minimum wage enforcement in the sector while seeking to ensure workers receive the arrears they are owed.

Exceptional measures announced in July will remain in place until guidelines on this new approach are outlined next month.

It remains the government's expectations that all employers pay their workers according to the law, including for sleep-in shifts, as set out in guidance entitled 'Calculating the National Minimum Wage'.