News story: New sleep-in shift pay compliance scheme launched to support social care sector and identify back pay for workers

The government has launched a new compliance scheme for social care providers that may have incorrectly paid workers below legal minimum wage hourly rates for sleep-in shifts.

Social care employers will be able to opt into the new Social Care Compliance Scheme (SCCS), giving them up to a year to identify what they owe to workers, supported by advice from HM Revenue and Customs (HMRC). Employers who identify arrears at the end of the self-review period will have up to three months to pay workers.

The government is committed to creating an economy that works for everyone, and ensuring workers are paid fairly according to the law. The scheme has been designed to help ensure workers are paid what they are owed, while also maintaining important services for people who access social care.

HMRC will write to social care employers who currently have a complaint against them for allegedly underpaying minimum wage rates for sleep-in shifts to encourage them to sign up to the scheme. Employers that choose not to opt into the scheme will be subject to HMRC's normal enforcement approach.

The government is exploring options to minimise any impact on the sector. The government has opened discussions with the European Commission to determine whether any support, if deemed necessary, would be subject to EU state aid rules.

Earlier this year the government waived further penalties for sleep-in shifts underpayment arising before 26 July 2017. 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 social care providers. Enforcement action for sleep-in shifts in the social care sector was temporarily suspended between 26 July and 1 November 2017.

Government reiterated again today its expectation that all employers pay their workers according to the law, including for sleep-in shifts, as set out in guidance entitled <u>Calculating the minimum wage</u>.

Read the updated on guidance sleep-in shifts here: <u>National minimum wage law:</u> <u>enforcement</u>.