



HMRC NATIONAL MINIMUM WAGE COMPLIANCE CHECKS IN THE BETTING & GAMING SECTOR

Following on from the HMRC presentation at the recent GBG Members meeting, some further information has been provided by HMRC ahead of their forthcoming focus on the Betting and Gaming Sector conducting National Minimum Wage (NMW) compliance checks.

- If HMRC identifies NMW underpayments, the company will have to repay the arrears but will also incur a 200% penalty.
- Additionally, the company will be publicly named by the Department of Business and Trade. It doesn't matter if companies accidentally underpay their workers, the sanctions apply regardless.

The National Minimum Wage is more than just a pay rate, it's a calculation. This is why many companies accidentally underpay their staff; they don't understand what is "time worked" for NMW purposes or what is "pay" for NMW purposes.

If companies rectify NMW issues before HMRC conducts a compliance check, the company will not be penalised or publicly named. All they will need to do is pay back workers and stop the cause to ensure workers are paid correctly in future.

HERE ARE SOME NMW COMMON ISSUES IN THE BETTING AND GAMING INDUSTRY

Unpaid working time

- Not paid for all working time, e.g., emptying gaming machines after their shift or arriving a few minutes early to open a betting shop.
- Having a rounding system in place, for example some employers only paying in 15-minute increments.
- Undertaking mandatory training at home and not paid for it.
- Having unpaid team meetings outside of normal time.

Deductions

Deductions have the effect of reducing pay, for minimum wage purposes, if the employer has own use and benefit of the deduction. This means an employer has access to those funds and use them in any way they wish. It doesn't matter if; the worker voluntarily enters into the agreement, if the worker benefits from it or the employer doesn't make a profit from it. It will still reduce minimum wage pay if the employer has own use and benefit of the deduction. Here are some examples:

- Meals (employer providing meals to their workers at a discounted rate)
- Transport
- Saving Schemes
- Admin fees (for attachment of earning orders or for any mandatory checks to be carried out)
- Mandatory training (for example, if a worker leaves within a certain time period)

Payments in connection with employment

ny cost incurred by a worker in connection with their employment will reduce NMW pay, similar to deductions. A popular example in the betting and gaming sector relates to dress code policies. If companies require their workers to wear specific

clothes (e.g., black trousers and black shoes), the cost a worker incurs will reduce NMW pay. Even if workers could use the items outside of work, it would still reduce pay. However, it won't reduce pay if the employer either provides the items to the workers for free or if the employer simply reimburses the workers for the cost.

MORE INFORMATION

There is a '[one stop shop](#)' for all NMW matters on gov.uk (calculating the minimum wage guidance) and within the guidance, you can also see an expanded [checklist of common issues](#).

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