



# National Minimum Wage Act 1998

## 1998 CHAPTER 39

### *The Low Pay Commission*

#### **5 The first regulations: referral to the Low Pay Commission.**

- (1) Before making the first regulations under section 1(3) or (4) or 2 above, the Secretary of State shall refer the matters specified in subsection (2) below to the Low Pay Commission for their consideration.
- (2) Those matters are—
  - (a) what single hourly rate should be prescribed under section 1(3) above as the national minimum wage;
  - (b) what period or periods should be prescribed under section 1(4) above;
  - (c) what method or methods should be used for determining under section 2 above the hourly rate at which a person is to be regarded as remunerated for the purposes of this Act;
  - (d) whether any, and if so what, provision should be made under section 3 above; and
  - (e) whether any, and if so what, descriptions of person should be added to the descriptions of person to whom section 3 above applies and what provision should be made under that section in relation to persons of those descriptions.
- (3) Where matters are referred to the Low Pay Commission under subsection (1) above, the Commission shall, after considering those matters, make a report to the Prime Minister and the Secretary of State which shall contain the Commission's recommendations about each of those matters.
- (4) If, following the report of the Low Pay Commission under subsection (3) above, the Secretary of State decides—
  - (a) not to make any regulations implementing the Commission's recommendations, or
  - (b) to make regulations implementing only some of the Commission's recommendations, or

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**Changes to legislation:** There are currently no known outstanding effects for the National Minimum Wage Act 1998, Section 5. (See end of Document for details)

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- (c) to prescribe under section 1(3) above a single hourly rate which is different from the rate recommended by the Commission, or
- (d) to make regulations which in some other respect differ from the recommendations of the Commission, or
- (e) to make regulations which do not relate to a recommendation of the Commission,

the Secretary of State shall lay a report before each House of Parliament containing a statement of the reasons for the decision.

- (5) If the Low Pay Commission fail to make their report under subsection (3) above within the time allowed for doing so under section 7 below, any power of the Secretary of State to make regulations under this Act shall be exercisable as if subsection (1) above had not been enacted.

**Changes to legislation:**

There are currently no known outstanding effects for the National Minimum Wage Act 1998, Section 5.