



Wages Act 1986

1986 CHAPTER 48

An Act to make fresh provision with respect to the protection of workers in relation to the payment of wages; to make further provision with respect to wages councils; to restrict redundancy rebates to employers with less than ten employees and to abolish certain similar payments; and for connected purposes. [25th July 1986]

Be it enacted the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Modifications etc. (not altering text)

C1 Act amended by [S.I. 1987/863, reg. 3\(3\)](#) and [S.I. 1987/1852, reg. 3\(3\)](#)

Commencement Information

II Act partly in force at Royal Assent: see [s. 33\(5\)](#); Act wholly in force at 1.1.1987.

PART I

PROTECTION OF WORKERS IN RELATION TO THE PAYMENT OF WAGES

Modifications etc. (not altering text)

C2 [Pt. I](#) (ss. 1–11) modified by [Employment Act 1988 \(c. 19, SIF 43:5\)](#), [ss. 7\(3\)](#), 30(3)
[Pt. I](#) (ss. 1–11) modified (16.10.1992) by [Trade Union and Labour Relations \(Consolidation\) Act 1992 \(c. 52\)](#), [ss. 68\(4\)](#), 302

1 General restrictions on deductions made, or payments received, by employers.

(1) An employer shall not make any deduction from any wages of any worker employed by him unless the deduction satisfies one of the following conditions, namely—

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- (a) it is required or authorised to be made by virtue of any statutory provision or any relevant provision of the worker’s contract; or
 - (b) the worker has previously signified in writing his agreement or consent to the making of it.
- (2) An employer shall not receive any payment from any worker employed by him unless the payment satisfies one of the conditions set out in paragraphs (a) and (b) of subsection (1).
- (3) In this section “relevant provision”, in relation to a worker’s contract, means any provision of the contract comprised—
- (a) in one or more written terms of the contract of which the employer has given the worker a copy on any occasion prior to the employer making the deduction in question, or (where subsection (1)(a) applies for the purposes of subsection (2)) prior to his receiving the payment in question, or
 - (b) in one or more terms of the contract (whether express or implied and, if express, whether oral or in writing) whose existence and effect, or (as the case may be) combined effect, in relation to the worker the employer has notified to the worker in writing on any such occasion.
- (4) For the purposes of this section—
- (a) any relevant provision of a worker’s contract having effect by virtue of any variation of the contract, or
 - (b) any agreement or consent signified by a worker as mentioned in subsection (1)(b),
- shall not operate to authorise the making of any deduction, or the receipt of any payment, on account of any conduct of the worker, or any other event occurring, before the variation took effect or (as the case may be) the agreement or consent was signified.
- (5) Nothing in this section applies—
- (a) to any deduction from a worker’s wages made by his employer, or any payment received from a worker by his employer, where the purpose of the deduction or payment is the reimbursement of the employer in respect of—
 - (i) any overpayment of wages, or
 - (ii) any overpayment in respect of expenses incurred by the worker in carrying out his employment,
 made (for any reason) by the employer to the worker;
 - (b) to any deduction from a worker’s wages made by his employer, or any payment received from a worker by his employer, in consequence of any disciplinary proceedings if those proceedings were held by virtue of any statutory provision;
 - (c) to any deduction from a worker’s wages made by his employer in pursuance of any requirement imposed on the employer by any statutory provision to deduct and pay over to a public authority amounts determined by that authority as being due to it from the worker, if the deduction is made in accordance with the relevant determination of that authority;
 - (d) to any deduction from a worker’s wages made by his employer in pursuance of any arrangements which have been established—
 - (i) in accordance with any relevant provision of his contract to whose inclusion in the contract the worker has signified his agreement or consent in writing, or

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- (ii) otherwise with the prior agreement or consent of the worker signified in writing,
and under which the employer is to deduct and pay over to a third person amounts notified to the employer by that person as being due to him from the worker, if the deduction is made in accordance with the relevant notification by that person;
- (e) to any deduction from a worker’s wages made by his employer, or any payment received from a worker by his employer, where the worker has taken part in a strike or other industrial action and the deduction is made, or the payment has been required, by the employer on account of the worker’s having taken part in that strike or other action; or
- (f) to any deduction from a worker’s wages made by his employer with his prior agreement or consent signified in writing, or any payment received from a worker by his employer, where the purpose of the deduction or payment is the satisfaction (whether wholly or in part) of an order of a court or tribunal requiring the payment of any amount by the worker to the employer.
- (6) This section is without prejudice to any other statutory provision by virtue of which any sum payable to a worker by his employer but not falling within the definition of “wages” in section 7 is not to be subject to any deduction at the instance of the employer^{F1} . . .

Textual Amendments

F1 Words in s. 1(6) repealed (16.10.1992) by [Trade Union and Labour Relations \(Consolidation\) Act 1992 \(c. 52\)](#), ss. 300(1), 302, [Sch.1](#)

Modifications etc. (not altering text)

C3 S. 1 modified (16.10.1992) by [Trade Union and Labour Relations \(Consolidation\) Act 1992 \(c. 52\)](#), ss. [88\(2\)](#), 302

2 Deductions from wages of workers in retail employment on account of cash shortages etc.

- (1) Where (in accordance with section 1(1)) the employer of a worker in retail employment makes, on account of one or more cash shortages or stock deficiencies, any deduction or deductions from any wages payable to the worker on a pay day, the amount or aggregate amount of the deduction or deductions shall not exceed one-tenth of the gross amount of the wages payable to the worker on that day.
- (2) In this Part—
- “cash shortage” means a deficit arising in relation to amounts received in connection with retail transactions;
- “pay day”, in relation to a worker, means a day on which wages are payable to the worker;
- “retail employment”, in relation to a worker, means employment involving (whether on a regular basis or not)—
- (a) the carrying out by the worker of retail transactions directly with members of the public or with fellow workers or other individuals in their personal capacities, or

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- (b) the collection by the worker of amounts payable in connection with retail transactions carried out by other persons directly with members of the public or with fellow workers or other individuals in their personal capacities;
“retail transaction” means the sale or supply of goods, or the supply of services (including financial services); and
“stock deficiency” means a stock deficiency arising in the course of retail transactions.
- (3) Where the employer of a worker in retail employment makes a deduction from the worker’s wages on account of a cash shortage or stock deficiency, the employer shall not be treated as making the deduction in accordance with section 1(1) unless (in addition to the requirements of that provision being satisfied with respect to the deduction)—
- (a) the deduction is made, or
- (b) in the case of a deduction which is one of a series of deductions relating to the shortage or deficiency, the first deduction in the series was made,
not later than the end of the period of 12 months beginning with the date when the employer established the existence of the shortage or deficiency or (if earlier) the date when he ought reasonably to have done so.
- (4) This subsection applies where—
- (a) by virtue of any agreement between a worker in retail employment and his employer, the amount of the worker’s wages or any part of them is or may be determined by reference to the incidence of cash shortages or stock deficiencies, and
- (b) the gross amount of the wages payable to the worker on any pay day is, on account of any such shortages or deficiencies, less than the gross amount of the wages that would have been payable to him on that day if there had been no such shortages or deficiencies.
- (5) In a case where subsection (4) applies—
- (a) the amount representing the difference between the two amounts referred to in paragraph (b) of that subsection (“the relevant amount”) shall be treated for the purposes of this Part as a deduction from the wages payable to the worker on that day made by the employer on account of the cash shortages or stock deficiencies in question, and
- (b) the second of the amounts so referred to shall be treated for the purposes of this Part (except subsection (4)) as the gross amount of the wages payable to him on that day;
- and section 1(1) and (if the requirements of that provision and subsection (3) above are satisfied) subsection (1) above shall have effect in relation to the relevant amount accordingly.

3 Payments by workers in retail employment on account of cash shortages etc.

- (1) Where the employer of a worker in retail employment receives from the worker any payment on account of a cash shortage or stock deficiency the employer shall not be treated as receiving the payment in accordance with section 1(2) unless (in addition to the requirements of that provision being satisfied with respect to the payment) he has previously—

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- (a) notified the worker in writing of the worker's total liability to him in respect of that shortage or deficiency; and
 - (b) required the worker to make the payment by means of a demand for payment made in accordance with this section.
- (2) Any demand for payment made by the employer of a worker in retail employment in respect of a cash shortage or stock deficiency—
 - (a) shall be made in writing, and
 - (b) shall be made on one of the worker's pay days.
- (3) A demand for payment in respect of a particular cash shortage or stock deficiency, or (in the case of a series of such demands) the first such demand, shall not be made—
 - (a) earlier than the first pay day of the worker following the date when he is notified of his total liability in respect of the shortage or deficiency in pursuance of subsection (1)(a) or, where he is so notified on a pay day, earlier than that day, or
 - (b) later than the end of the period of 12 months beginning with the date when the employer established the existence of the shortage or deficiency or (if earlier) the date when he ought reasonably to have done so.
- (4) Where the employer of a worker in retail employment makes on any pay day one or more demands for payment in accordance with this section, the amount or aggregate amount required to be paid by the worker in pursuance of the demand or demands shall not exceed—
 - (a) one-tenth of the gross amount of the wages payable to the worker on that day, or
 - (b) where one or more deductions falling within section 2(1) are made by the employer from those wages, such amount as represents the balance of that one-tenth after subtracting the amount or aggregate amount of the deduction or deductions.
- (5) Once any amount has been required to be paid by means of a demand for payment made in accordance with this section on any pay day, that amount shall not be taken into account under subsection (4) as it applies to any subsequent pay day, notwithstanding that the employer is obliged to make further requests for it to be paid.
- (6) For the purposes of this Part a demand for payment shall be treated as made by the employer on one of the worker's pay days if it is given to the worker, or posted to, or left at, his last known address—
 - (a) on that pay day, or
 - (b) in the case of a pay day which is not a working day of the employer's business, on the first such working day following that pay day.

4 Provisions supplementary to ss. 2 and 3.

- (1) In this section "final instalment of wages", in relation to a worker, means—
 - (a) the amount of wages payable to the worker which consists of or includes an amount payable by way of contractual remuneration in respect of the last of the periods for which he is employed under his contract prior to its termination for any reason (but excluding any wages referable to any earlier such period), or
 - (b) where an amount in lieu of notice is paid to the worker later than the amount referred to in paragraph (a), the amount so paid,

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in each case whether the amount in question is paid before or after the termination of the worker's contract.

- (2) Section 2(1) shall not operate to restrict the amount of any deductions that may (in accordance with section 1(1)) be made by the employer of a worker in retail employment from the worker's final instalment of wages.
- (3) Nothing in section 3 shall apply to any payment falling within subsection (1) of that section that is made on or after the day on which any such worker's final instalment of wages is paid, but (notwithstanding that the requirements of section 1(2) would otherwise be satisfied with respect to it) his employer shall not be treated as receiving any such payment in accordance with section 1(2) if the payment was first required to be made after the end of the period referred to in section 3(3)(b).
- (4) Legal proceedings by the employer of a worker in retail employment for the recovery from the worker of any amount in respect of a cash shortage or stock deficiency shall not be instituted by the employer after the end of the period referred to in section 3(3)(b) unless the employer has within that period made a demand for payment in respect of that amount in accordance with section 3.
- (5) Where in any legal proceedings the court finds that the employer of a worker in retail employment is (in accordance with section 1(2), as it applies apart from section 3(1)) entitled to recover an amount from the worker in respect of a cash shortage or stock deficiency, the court shall, in ordering the payment by the worker to the employer of that amount, make such provision as appears to the court to be necessary to ensure that it is paid by the worker at a rate not exceeding that at which it could be recovered from him by the employer in accordance with section 3.

This subsection does not apply to any amount which is to be paid by a worker on or after the day on which his final instalment of wages is paid.

- (6) References in this Part to a deduction made from any wages of a worker in retail employment, or to a payment received from such a worker by his employer, on account of a cash shortage or stock deficiency include references to a deduction or payment so made or received on account of—
 - (a) any dishonesty or other conduct on the part of the worker which resulted in any such shortage or deficiency, or
 - (b) any other event in respect of which he (whether together with any other workers or not) has any contractual liability and which so resulted,

in each case whether the amount of the deduction or payment is designed to reflect the exact amount of the shortage or deficiency or not; and references in this Part to the recovery from a worker of an amount in respect of a cash shortage or stock deficiency accordingly include references to the recovery from him of an amount in respect of any such conduct or event as is mentioned in paragraph (a) or (b).

5 Complaints to industrial tribunals in respect of unauthorised deductions etc.

- (1) A worker may present a complaint to an industrial tribunal—
 - (a) that his employer has made a deduction from his wages in contravention of section 1(1) (including a deduction made in contravention of that provision as it applies by virtue of section 2(3)), or

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- (b) that his employer has received from him a payment in contravention of section 1(2) (including a payment received in contravention of that provision as it applies by virtue of section 3(1)), or
 - (c) that his employer has recovered from his wages by means of one or more deductions falling within section 2(1) an amount or aggregate amount exceeding the limit applying to the deduction or deductions under that provision, or
 - (d) that his employer has received from him in pursuance of one or more demands for payment made (in accordance with section 3) on a particular pay day, a payment or payments of an amount or aggregate amount exceeding the limit applying to the demand or demands under section 3(4).
- (2) An industrial tribunal shall not entertain a complaint under this section unless it is presented within the period of three months beginning with—
- (a) in the case of a complaint relating to a deduction by the employer, the date of payment of the wages from which the deduction was made, or
 - (b) in the case of a complaint relating to a payment received by the employer, the date when the payment was received,
- or within such further period as the tribunal considers reasonable in a case where it is satisfied that it was not reasonably practicable for the complaint to be presented within the relevant period of three months.
- (3) Where a complaint is brought in respect of—
- (a) a series of deductions or payments, or
 - (b) a number of payments falling within subsection (1)(d) and made in pursuance of demands for payment subject to the same limit under section 3(4) but received by the employer on different dates,
- subsection (2) shall be read as referring to the last deduction or payment in the series or to the last of the payments so received (as the case may require).
- ^{F2}(3A)
- (4) Where a tribunal finds that a complaint under this section is well-founded, it shall make a declaration to that effect; and (subject to subsections (5) and (6))—
- (a) in the case of a complaint under subsection (1)(a) or (b), the tribunal shall order the employer to pay to the worker the amount of any deduction, or to repay to him the amount of any payment, made or received in contravention of section 1; and
 - (b) in the case of a complaint under subsection (1)(c) or (d), the tribunal shall order the employer to pay or (as the case may be) repay to the worker any amount recovered or received from him in excess of any such limit as is mentioned in that provision.
- (5) Where, in the case of any complaint under subsection (1)(a) or (b), a tribunal finds that, although neither of the conditions set out in section 1(1)(a) and (b) was satisfied with respect to the whole amount of a deduction or payment, one of those conditions was satisfied with respect to any lesser amount, the amount of the deduction or payment shall for the purposes of subsection (4)(a) be treated as reduced by the amount with respect to which that condition was satisfied.
- (6) An employer shall not under subsection (4)(a) or (b) be ordered by a tribunal to pay or repay to a worker any amount in respect of a deduction or payment, or (as the case may

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be) in respect of any combination of deductions or payments, in so far as it appears to the tribunal that he has already paid or repaid any such amount to the worker.

- (7) Where a tribunal has under subsection (4)(a) or (b) ordered an employer to pay or repay to a worker any amount in respect of a particular deduction or payment falling within subsection (1)(a) to (d) (“the relevant amount”) the amount which the employer shall be entitled to recover (by whatever means) in respect of the matter in respect of which the deduction or payment was originally made or received shall be treated as reduced by the relevant amount.
- (8) Where a tribunal has under subsection (4)(b) ordered an employer to pay or repay to a worker any amount in respect of any combination of deductions or payments falling within subsection (1)(c) or (d) (“the relevant amount”) the aggregate amount which the employer shall be entitled to recover (by whatever means) in respect of the cash shortages or stock deficiencies in respect of which the deductions or payments were originally made or required to be made shall be treated as reduced by the relevant amount.

Textual Amendments

- F2** S. 5(3A) repealed (16.10.1992) by [Trade Union and Labour Relations \(Consolidation\) Act 1992 \(c. 52\)](#), ss. 300(1), 302, [Sch.1](#), which s. 5(3A) was inserted by [Employment Act 1988 \(c. 19\)](#), s. 33(1), [Sch. 3 Pt. 1 para. 6\(2\)\(3\)](#)

Modifications etc. (not altering text)

- C4** S. 5 restricted (16.10.1992) by [Trade Union and Labour Relations \(Consolidation\) Act 1992 \(c. 52\)](#), [ss.88\(3\)](#), 302
- C5** S. 5 modified (16.10.92) by [Trade Union and Labour Relations \(Consolidation\) Act 1992 \(c. 52\)](#), [ss.88\(4\)](#), 302

6 Supplementary provisions relating to complaints.

- (1) The remedy of a worker in respect of any contravention of section 1(1) or (2) or section 2(1) or 3(4) shall be by way of a complaint under section 5 and not otherwise.
- (2) Section 5 shall not affect the jurisdiction of an industrial tribunal to entertain a reference under section 11 of the 1978 Act in relation to any deduction from the wages of a worker, but the aggregate of any amounts ordered by an industrial tribunal to be paid under section 11(8)(b) of that Act and under subsection (4) of section 5 of this Act (whether on the same or different occasions) in respect of a particular deduction shall not exceed the amount of the deduction.
- (3) Any provision in an agreement shall be void in so far as it purports to exclude or limit the operation of any provision of this Part, or to preclude any person from presenting a complaint under section 5; but this subsection shall not apply to
- [^{F3}(a)] an agreement to refrain from presenting or continuing with a complaint where a conciliation officer has taken action in accordance with section 133(2) or (3) of the 1978 Act [^{F3}; or
- (b) an agreement to refrain from presenting or continuing with a complaint if the conditions regulating compromise agreements under this Part of this Act are satisfied in relation to the agreement]

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[^{F4}(4) The conditions regulating compromise agreements under this Part of this Act are that—

- (a) the agreement must be in writing;
- (b) the agreement must relate to the particular complaint;
- (c) the worker must have received independent legal advice from a qualified lawyer as to the terms and effect of the proposed agreement and in particular its effect on his ability to pursue his complaint before an industrial tribunal;
- (d) there must be in force, when the adviser gives the advice, a policy of insurance covering the risk of a claim by the worker in respect of loss arising in consequence of the advice;
- (e) the agreement must identify the adviser; and
- (f) the agreement must state that the conditions regulating compromise agreements under this Part of this Act are satisfied.

(5) In subsection (4)—

“independent”, in relation to legal advice to the worker, means that it is given by a lawyer who is not acting in the matter for the employer or for a person who is connected with the employer; and

“qualified lawyer” means—

- (a) as respects proceedings in England and Wales—
 - (i) a barrister, whether in practice as such or employed to give legal advice, or
 - (ii) a solicitor of the Supreme Court who holds a practising certificate;
- (b) as respects proceedings in Scotland—
 - (i) an advocate, whether in practice as such or employed to give legal advice, or
 - (ii) a solicitor who holds a practising certificate.

(6) For the purposes of subsection (5) any two persons are to be treated as “connected” if one is a company of which the other (directly or indirectly) has control, or if both are companies of which a third person (directly or indirectly) has control.]

Textual Amendments

- F3** Words in S. 6(3)(a) and s. 6(3)(b) inserted (30.8.1993) by 1993 c. 19, s.39(2), **Sch. 6 para. 3(a)**; S.I. 1993/1908, art. 2(1), **Sch. 1**.
- F4** S. 6(4)-(6) inserted (30.8.1993) by 1993 c. 19, s. 39(2), **Sch. 6 para. 3(b)**; S.I. 1993/1908, art. 2(1), **Sch.1**.

7 Meaning of “wages”.

(1) In this Part “wages”, in relation to a worker, means any sums payable to the worker by his employer in connection with his employment, including—

- (a) any fee, bonus, commission, holiday pay or other emolument referable to his employment, whether payable under his contract or otherwise;
- (b) any sum payable in pursuance of an order for reinstatement or re-engagement under section 69 of the 1978 Act;

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- (c) any sum payable by way of pay in pursuance of an order under [^{F5}section 164 of the Trade Union and Labour Relations (Consolidation) Act 1992] for the continuation of a contract of employment;
- (d) any of the payments referred to in paragraphs (a) to (d) of section 122(4) of [^{F6}the Employment Protection (Consolidation) Act 1978](guarantee payments and other statutory payments in lieu of wages);
- (e) statutory sick pay under Part I of the ^{M1}Social Security and Housing Benefits Act 1982 [^{F7}or Part XI of the Social Security Contributions and Benefits Act 1992]; and
- (f) in the case of a female worker, [^{F8}statutory maternity pay under the Social Security Act 1986] , [^{F9}or Part XII of the Social Security Contributions and Benefits Act 1992,]

but excluding any payments falling with subsection (2).

(2) Those payments are—

- (a) any payment by way of an advance under an agreement for a loan or by way of an advance of wages (but without prejudice to the application of section 1(1) to any deduction made from the worker's wages in respect of any such advance);
- (b) any payment in respect of expenses incurred by the worker in carrying out his employment;
- (c) any payment by way of a pension, allowance or gratuity in connection with the worker's retirement or as compensation for loss of office;
- (d) any payment referable to the worker's redundancy;
- (e) any payment to the worker otherwise than in his capacity as a worker.

(3) Where any payment in the nature of a non-contractual bonus is (for any reason) made to a worker by his employer, then, for the purposes of this Part, the amount of the payment shall—

- (a) be treated as wages of the worker, and
- (b) be treated as payable to him as such on the day on which the payment is made.

(4) For the purposes of this Part any monetary value attaching to any payment or benefit in kind furnished to a worker by his employer shall not be treated as wages of the worker except in the case of any voucher, stamp or similar document which is—

- (a) of a fixed value expressed in monetary terms, and
- (b) capable of being exchanged (whether on its own or together with other vouchers, stamps or documents, and whether immediately or only after a time) for money, goods or services (or for any combination of two or more of those things).

Textual Amendments

- F5** Words in s.7(1)(c) substituted (16.10.1992) by [Trade Union and Labour Relations \(Consolidation\) Act 1992 \(c. 52\)](#), ss. 300(2), 302, [Sch. 2](#) para. 34(2)(a)
- F6** Words in s. 7(1)(d) substituted (16.10.1992) by [Trade Union and Labour Relations \(Consolidation\) Act 1992 \(c. 52\)](#), ss. 300(2), 302, [Sch. 2](#) para. 34(2)(b)
- F7** Words in s. 7(1)(e) added (1.7.1992) by [Social Security \(Consequential Provisions\) Act 1992 \(c. 6\)](#), ss. 4, 7(2), [Sch. 2 para. 74\(a\)](#)
- F8** Words substituted by [Social Security Act 1986 \(c. 50, SIF 113:1\)](#), s. 86(1), [Sch. 10 Pt. IV para. 81](#)
- F9** Words in s. 7(1)(f) added (1.7.1992) by [Social Security \(Consequential Provisions\) Act 1992 \(c. 6\)](#), ss. 4, 7(2), [Sch. 2 para. 74\(b\)](#)

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Marginal Citations

M1 1982 c. 24.

8 General interpretation of Part I.

(1) In this Part—

“the 1978 Act” means the ^{M2}Employment Protection (Consolidation) Act 1978;

“cash shortage” has the meaning given by section 2(2);

“employer”, in relation to a worker, means the person by whom the worker is (or, where the employment has ceased, was) employed;

“employment”, in relation to a worker, means employment under his contract and “employed”, in relation to a worker, accordingly means employed under his contract;

“gross amount”, in relation to any wages payable to a worker, means the total amount of those wages before deductions of whatever nature;

“pay day”, “retail employment” and “retail transaction” have the meaning given by section 2(2);

“statutory provision” means a provision contained in or having effect under any enactment;

“stock deficiency” has the meaning given by section 2(2);

“wages” shall be construed in accordance with section 7;

“worker” means an individual who has entered into or works under (or, where the employment has ceased, worked under) one of the contracts referred to in subsection (2), and any reference to a worker’s contract shall be construed accordingly.

(2) Those contracts are—

(a) a contract of service;

(b) a contract of apprenticeship; and

(c) any other contract whereby the individual undertakes to do or perform personally any work or services for another party to the contract whose status is not by virtue of the contract that of a client or customer of any profession or business undertaking carried on by the individual,

in each case whether such a contract is express or implied and, if express, whether it is oral or in writing.

(3) Where the total amount of any wages that are paid on any occasion by an employer to any worker employed by him is less than the total amount of the wages that are properly payable by him to the worker on that occasion (after deductions) then, except in so far as the deficiency is attributable to an error of computation, the amount of the deficiency shall be treated for the purposes of this Part as a deduction made by the employer from the worker’s wages on that occasion.

(4) In subsection (3) the reference to an error of computation is a reference to an error of any description on the part of the employer affecting the computation by him of the gross amount of the wages that are properly payable by him to the worker on that occasion.

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- (5) Any reference in this Part to an employer receiving a payment from a worker employed by him is a reference to his receiving such a payment in his capacity as the worker’s employer.

Marginal Citations
M2 1978 c. 44.

9 Crown employment.

- (1) Subject to subsection (4), this Part shall apply to Crown employment.
- (2) In this section “Crown employment” means employment under or for the purposes of a government department or any officer or body exercising on behalf of the Crown functions conferred by any statutory provision.

^{F10}(3)

- (4) This Part does not apply to service as a member of the naval, military or air forces of the Crown, but does not apply to employment by any association established for the purposes of Part VI of the ^{M3}Reserve Forces Act 1980.
- (5) For the purposes of the application of this Part to Crown employment in accordance with subsection (1)—
 - (a) any reference to a worker shall be construed as a reference to a person in Crown employment;
 - (b) any reference to a worker’s contract shall be construed as a reference to the terms of employment of a person in Crown employment;
 - (c) any reference to the termination of a worker’s contract shall be construed as a reference to the termination of his Crown employment; and
 - (d) any reference to redundancy shall be construed as a reference to the existence of such circumstances as, in accordance with any arrangements for the time being in force as mentioned in section 111(3) of the 1978 Act (payments equivalent to redundancy payments in respect of civil servants etc.), are treated as equivalent to redundancy in relation to Crown employment.

Textual Amendments
F10 S. 9(3) repealed (30.8.1993) by 1993 c. 19, s. 51, **Sch.10**; S.I. 1993/1908, art. 2(1), **Sch. 1**.

Marginal Citations
M3 1980 c. 9.

10 Power to extend provisions to employment outside United Kingdom.

- (1) Section 137 of the 1978 Act (power to extend employment legislation to employment for purposes of activities in territorial waters etc.) shall apply in relation to this Part as it applies in relation to the enactments referred to in subsection (1) of that section, but as if—
 - (a) any reference to employment were a reference to employment within the meaning of this Part; and

Status: Point in time view as at 01/01/1996.

Changes to legislation: There are currently no known outstanding effects for the Wages Act 1986. (See end of Document for details)

(b) subsection (3)(g) of that section were omitted.

(2) Any Order in Council made by virtue of subsection (1) above may modify or exclude the operation of any provision of section 30 of this Act (as it applies to this Part) in relation to persons to whom the Order applies.

11 Repeal of Truck Acts 1831 to 1940 etc.

The enactments listed in Schedule 1 to this Act (which impose restrictions in relation to the payment of wages to manual and other workers and make other provision in connection with the payment of wages to such persons) shall cease to have effect.

^{F11}PART II

Textual Amendments

F11 Part II (Ss. 12-27) repealed (30.8.1993) by 1993 c. 19, ss. 35, 51, **Sch.10**; S.I. 1993/1908, art. 2(1), **Sch.1**.

Scope of operation of wages councils

Wages orders

Enforcement

Status: Point in time view as at 01/01/1996.
Changes to legislation: There are currently no known outstanding effects for the Wages Act 1986. (See end of Document for details)

PART III

REDUNDANCY REBATES, ETC.

27^{F12}

Textual Amendments

F12 S. 27 repealed by [Employment Act 1989 \(c. 38, SIF 43:1\)](#), s. 29(4), [Sch. 7 Pt. II](#)

28 Abolition of payments equivalent to redundancy rebates.

No payment shall be made by the Secretary of State under—

- (a) section 111(2) of the ^{M6}Employment Protection (Consolidation) Act 1978 (payments equivalent to redundancy rebates in respect of civil servants, etc.), or
- (b) section 113(1) of that Act (similar payments in respect of employees of foreign governments),

in respect of any termination of employment occurring after the commencement of this section.

Marginal Citations

M6 1978 c. 44.

29 Power to make corresponding provision for Northern Ireland.

An Order in Council under paragraph 1(1)(b) of Schedule 1 to the ^{M7}Northern Ireland Act 1974 (legislation for Northern Ireland in the interim period) which states that it is made only for purposes corresponding to those of sections 27 and 28 of this Act—

- (a) shall not be subject to paragraph 1(4) and (5) of that Schedule (affirmative resolution of both Houses of Parliament); but
- (b) shall be subject to annulment in pursuance of a resolution of either House.

Marginal Citations

M7 1974 c. 28.

PART IV

GENERAL

30 Excluded employments.

- (1) [^{F13}Part I does] not apply to employment where under his contract the person employed ordinarily works outside Great Britain.

Status: Point in time view as at 01/01/1996.
Changes to legislation: There are currently no known outstanding effects for the Wages Act 1986. (See end of Document for details)

- (2) For the purposes of subsection (1) a person employed to work on board a ship registered in the United Kingdom (not being a ship registered at a port outside Great Britain) shall, unless—
- (a) the employment is wholly outside Great Britain, or
 - (b) he is not ordinarily resident in Great Britain,
- be regarded as a person who under his contract ordinarily works in Great Britain.
- (3) [^{F13}Part I does] not, however, apply to a person employed under a crew agreement within the meaning of the [^{F14}Part III of the Merchant Shipping Act 1995].

Textual Amendments

- F13** Words in s. 30(1)(3) substituted (30.8.1993) by 1993 c. 19, s. 49(2), **Sch. 8 para. 36**; S.I. 1993/1908, art. 2(1), **Sch. 1**.
- F14** Words in s. 30(3) substituted (1.1.1996) by 1995 c. 21, ss. 314(2), 316(2), **Sch. 13 para. 77** (with s. 312(1))

31 Financial provisions.

There shall be paid out of money provided by Parliament—

- ^{F15}(a)
- ^{F15}(b)
- (c) any increase attributable to this Act in the sums payable out of money so provided under any other Act.

Textual Amendments

- F15** S. 31(a)(b) repealed (30.8.1993) by 1993 c. 19, s. 51, **Sch.10**; S.I. 1993/1908, art. 2(1), **Sch. 1**.

32 Amendments, repeals, transitional provisions and savings.

- (1) The enactments mentioned in Schedule 4 shall have effect subject to the minor and consequential amendments there specified.
- (2) The enactments mentioned in Schedule 5 are hereby repealed to the extent specified in the third column of that Schedule.
- (3) The transitional provisions and savings contained in Schedule 6 shall have effect; but nothing in that Schedule shall be taken as prejudicing the operation of sections 16 and 17 of the ^{M8}Interpretation Act 1978 (which relate to repeals).

Marginal Citations

- M8** 1978 c. 30.

33 Short title, commencement and extent.

- (1) This Act may be cited as the Wages Act 1986.

Status: Point in time view as at 01/01/1996.

Changes to legislation: There are currently no known outstanding effects for the Wages Act 1986. (See end of Document for details)

- (2) The following provisions of this Act shall come into force on the day on which this Act is passed—
- F16
...
F16
...
section 29;
section 31;
section 32(3) and Schedule 6;
this section.
- (3) The following provisions of this Act, namely—
sections 27 and 28,
paragraphs 8 and 11 of Schedule 4 and section 32(1) so far as relating thereto, and
Part I of Schedule 5 and section 32(2) so far as relating thereto,
shall come into force on the day on which this Act is passed or on 1st August 1986,
whichever is the later.
- (4) The following provisions of this Act shall come into force at the end of the period of two months beginning with the day on which this Act is passed—
- F17
...
[^{F18}paragraph 4] of Schedule 4 and section 32(1) so far as relating thereto;
Part II of Schedule 5 and section 32(2) so far as relating thereto.
- (5) The following provisions of this Act shall come into force on such day as the Secretary of State may appoint by order made by statutory instrument, namely—
Part I (including Schedule 1);
section 30 so far as relating to Part I;
paragraphs 1 to 3, 9 and 10 of Schedule 4 and section 32 (1) so far as relating thereto;
Part III of Schedule 5 and section 32(2) so far as relating thereto.
- (6) An order under subsection (5) may—
(a) appoint different days for different provisions or for different purposes;
(b) contain such transitional and supplementary provisions as appear to the Secretary of State to be necessary or expedient.
- (7) With the exception of—
section 29 (which extends only to Northern Ireland),
F19
...
section 32(2) and Part II of Schedule 5 so far as they repeal any provision of the ^{M9}Wages Councils Act 1979 extending to Northern Ireland, and
this section,
this Act does not extend to Northern Ireland.

Textual Amendments

F16 S. 33(2): entries relating to ss. 24, 25(1)-(3) repealed (30.8.1993) by 1993 c. 19, s. 51, **Sch. 10**; S.I. 1993/1908, art. 2(1), **Sch.1**.

F17 Words in s. 33(4) repealed (30.8.1993) by 1993 c. 19, s. 51, **Sch.10**; S.I. 1993/1908, art. 2(1), **Sch.1**.

Status: Point in time view as at 01/01/1996.

Changes to legislation: There are currently no known outstanding effects for the Wages Act 1986. (See end of Document for details)

F18 Words in s. 33(4) substituted (30.8.1993) by 1993 c. 19, s. 49(2), **Sch. 8 para.37**; S.I. 1993/1908, art. 2(1), **Sch.1**.

F19 Words in s. 33(7) repealed (30.8.1993) by 1993 c. 19, s. 51, **Sch.10**; S.I. 1993/1908, art. 2(1), **Sch.1**

Modifications etc. (not altering text)

C7 Power of appointment conferred by s. 33(5) fully exercised: 1.1.1987 appointed by S.I. 1986/1998, **art. 2**

Marginal Citations

M9 1979 c. 12.

Status: Point in time view as at 01/01/1996.
Changes to legislation: There are currently no known outstanding effects for the Wages Act 1986. (See end of Document for details)

SCHEDULES

SCHEDULE 1

Section 11.

ENACTMENTS REPEALED BY SECTION 11

- The Truck Act 1831 (c.37).
- The Hosiery Manufacture (Wages) Act 1874 (c.48).
- The Payment of Wages in Public-houses Prohibition Act 1883 (c.31).
- Sections 12 and 13 of the Stannaries Act 1887 (c.43).
- The Truck Amendment Act 1887 (c.46).
- Sections 12 to 14 of the Coal Mines Regulation Act 1887 (c.58).
- The Coal Mines (Check Weigher) Act 1894 (c.52).
- The Truck Act 1896 (c.44).
- The Shop Clubs Act 1902 (c.21).
- The Coal Mines (Weighing of Minerals) Act 1905 (c.9).
- The Checkweighing in Various Industries Act 1919 (c.51).
- The Truck Act 1940 (c.38).
- Section 51(2) of the Mines and Quarries Act 1954 (c.70).
- The Payment of Wages Act 1960 (c.37).
- Sections 135 and 135A of the Factories Act 1961 (c.34).

^{F20}SCHEDULE 2

.....

Textual Amendments

F20 Schs. 2 and 3 repealed (30.8.1993) by 1993 c. 19, s. 51, **Sch.10**; S.I. 1993/1908, art. 2(1), **Sch.1**.

^{F22}SCHEDULE 3

.....

Status: Point in time view as at 01/01/1996.
Changes to legislation: There are currently no known outstanding effects for the Wages Act 1986. (See end of Document for details)

Textual Amendments

F22 Schs. 2 and 3 repealed (30.8.1993) by 1993 c. 19, s. 51, **Sch.10**; S.I. 1993/1908, art. 2(1), **Sch.1**.

SCHEDULE 4

Section 32(1)

MINOR AND CONSEQUENTIAL AMENDMENTS

COAL MINES REGULATION ACT 1908 (C.57)

F23₁

Textual Amendments

F23 Sch. 4 para. 1 repealed (20.11.1993) by Coal Industry Act 1992 (c. 17), s. 3(3), **Sch. Pt.II**; S.I. 1993/2514, **art.2**.

F24₂

Textual Amendments

F24 Sch. 4 para. 2 repealed (20.11.1993) by Coal Industry Act 1992 (c. 17), s. 3(3), **Sch. Pt.II**; S.I. 1993/2514, **art.2**.

MINES AND QUARRIES ACT 1954 (C.70)

F25₃

Textual Amendments

F25 Sch. 4 para. 3 repealed (20.11.1993) by Coal Industry Act 1992 (c. 17), s. 3(3), **Sch. Pt.II**; S.I. 1993/2514, **art.2**.

ATTACHMENT OF EARNINGS ACT 1971 (C.32)

- 4 In Part I of Schedule 3 (scheme of deductions), for paragraph 3(c) substitute—
- “(c) amounts deductible under any enactment, or in pursuance of a request in writing by the debtor, for the purposes of a superannuation scheme, namely any enactment, rules, deed or other instrument providing for the payment of annuities or lump sums—
 - (i) to the persons with respect to whom the instrument has effect on their retirement at a specified age or on becoming incapacitated at some earlier age, or
 - (ii) to the personal representatives or the widows, relatives or dependants of such persons on their death or otherwise,

Status: Point in time view as at 01/01/1996.
Changes to legislation: There are currently no known outstanding effects for the Wages Act 1986. (See end of Document for details)

whether with or without any further or other benefits.”

HOUSE OF COMMONS DISQUALIFICATION ACT 1975 (C.24)

F26⁵

Textual Amendments

F26 Sch. 4 paras. 5-7 repealed (30.8.1993) by 1993 c. 19, s. 51, **Sch. 10**; S.I. 1993/1908, art. 2(1), **Sch.1**.

NORTHERN IRELAND ASSEMBLY DISQUALIFICATION ACT 1975 (C.25)

F27⁶

Textual Amendments

F27 Sch. 4 paras. 5-7 repealed (30.8.1993) by 1993 c.19, s. 51, **Sch.10**; S.I. 1993/1908, art. 2(1), **Sch. 1**.

EMPLOYMENT PROTECTION (CONSOLIDATION) ACT 1978 (C.44)

F28⁷

Textual Amendments

F28 Sch. 4 paras. 5-7 repealed (30.8.1993) by 1993 c. 19, s. 51, **Sch.10**; S.I. 1993/1908, art. 2(1), **Sch.1**.

8 F29

Textual Amendments

F29 Sch. 4 paras. 8 and 11 repealed by Employment Act 1989 (c. 38, SIF 43:1), s. 29(4), **Sch. 7 Pt. II**

9 In section 133(1) (general provisions as to conciliation officers), after paragraph (d) insert “; or
(e) arising out of a contravention, or alleged contravention, of section 1(1) or (2) or section 2(1) or 3(4) of the Wages Act 1986.”.

10 In section 136(1) (appeals to Employment Appeal Tribunal), after paragraph (e) insert—
“(f) the Wages Act 1986.”.

11 F30

Textual Amendments

F30 Sch. 4 paras. 8 and 11 repealed by Employment Act 1989 (c. 38, SIF 43:1), s. 29(4), **Sch. 7 Pt. II**

Status: Point in time view as at 01/01/1996.
Changes to legislation: There are currently no known outstanding effects for the Wages Act 1986. (See end of Document for details)

SCHEDULE 5

Section 32(2).

PART I

REPEALS COMING INTO FORCE IN ACCORDANCE WITH S.33(3)

Chapter	Short title	Extent of repeal
1975 c. 71.	Employment Protection Act 1975.	Section 104. Section 105(4) and (5).
1978 c. 44.	Employment Protection (Consolidation) Act 1978.	In section 104(2), the words “or paragraph (c)”. In section 106(2)(c), the words “or paragraph (c)”. Section 113. In Schedule 6, in paragraph 6, the words “or paragraph (c)”, and in paragraph 7(a) the words from “or (as” to “that subsection”. In Schedule 16, paragraph 23(5).
1982 c. 2.	Social Security (Contributions) Act 1982.	In Schedule 1, paragraph 2(2).

PART II

REPEALS COMING INTO FORCE TWO MONTHS AFTER ROYAL ASSENT

Extent Information

E1 For extent see [s. 33\(7\)](#)

Chapter	Short title	Extent of repeal
1970 c. 41.	Equal Pay Act 1970.	Section 4.
1975 c. 71.	Employment Protection Act 1975.	In Part IV of Schedule 16, in paragraph 13(2) and (3) the figure “4”, and paragraph 13(6) to (11).
1979 c. 12.	Wages Councils Act 1979.	The whole Act.
1982 c. 23.	Oil and Gas (Enterprise) Act 1982.	In Schedule 3, paragraph 41.

Status: Point in time view as at 01/01/1996.

Changes to legislation: There are currently no known outstanding effects for the Wages Act 1986. (See end of Document for details)

PART III

REPEALS COMING INTO FORCE ON A DAY APPOINTED UNDER S.33(5)

Chapter	Short title	Extent of repeal
1831 c. 37.	Truck Act 1831.	The whole Act.
1874 c. 48.	Hosiery Manufacture (Wages) Act 1874.	The whole Act.
1883 c. 31.	Payment of Wages in Public-houses Prohibition Act 1883.	The whole Act.
1887 c. 43.	Stannaries Act 1887.	Sections 12 and 13.
1887 c. 46.	Truck Amendment Act 1887.	The whole Act.
1887 c. 58.	Coal Mines Regulation Act 1887.	The whole Act.
1894 c. 52.	Coal Mines (Check Weigher) Act 1894.	The whole Act.
1896 c. 44.	Truck Act 1896.	The whole Act.
1902 c. 21.	Shop Clubs Act 1902.	The whole Act.
1905 c. 9.	Coal Mines (Weighing of Minerals) Act 1905.	The whole Act.
1908 c. 57.	Coal Mines Regulation Act 1908.	Section 2(2).
1919 c. 51.	Checkweighing in Various Industries Act 1919.	The whole Act.
1940 c. 38.	Truck Act 1940.	The whole Act.
1951 c. 39.	Common Informers Act 1951.	In the Schedule, the entry relating to the Hosiery Manufacture (Wages) Act 1874.
1954 c. 70.	Mines and Quarries Act 1954.	Section 51(2). Section 185. In section 187(1), the words from “the Coal Mines Regulation” to “, and of”.
1960 c. 37.	Payment of Wages Act 1960.	The whole Act.
1961 c. 34.	Factories Act 1961.	Sections 135 and 135A.
1969 c. 48.	Post Office Act 1969.	In Schedule 4, paragraph 67.
1973 c. 38.	Social Security Act 1973.	Section 70.
1975 c. 20.	District Courts (Scotland) Act 1975.	In Schedule 1, paragraph 6.

Status: Point in time view as at 01/01/1996.
Changes to legislation: There are currently no known outstanding effects for the Wages Act 1986. (See end of Document for details)

1975 c. 21.	Criminal Procedure (Scotland) Act 1975.	In Schedule 7A, paragraph 2.
1977 c. 45.	Criminal Law Act 1977.	In Schedule 1, paragraph 2.
1980 c. 43.	Magistrates' Courts Act 1980.	In Schedule 1, paragraph 17.
1982 c. 24.	Social Security and Housing Benefits Act 1982.	Section 23A(2).

SCHEDULE 6

Section 32(3).

TRANSITIONAL PROVISIONS AND SAVINGS

Members and officers of wages councils

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F31₁

Textual Amendments

F31 Sch. 6 paras. 1-8 repealed (30.8.1993) by 1993 c. 19, s. 51, **Sch. 10**; S.I. 1993/1908, art. 2(1), **Sch. 1**

Enforcement officers appointed by Secretary of State

.....
F32₂

Textual Amendments

F32 Sch. 6 paras. 1-8 repealed (30.8.1993) by 1993 c. 19, s. 51, **Sch.10**; S.I. 1993/1908, art. 2(1), **Sch. 1**.

Anticipatory exercise of powers relating to making of orders

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F33₃

Textual Amendments

F33 Sch. 6 paras. 1-8 repealed (30.8.1993) by 1993 c. 19, s. 51, **Sch.10**; S.I. 1993/1908, art. 2(1), **Sch. 1**.

Status: Point in time view as at 01/01/1996.
Changes to legislation: There are currently no known outstanding effects for the Wages Act 1986. (See end of Document for details)

Failure to pay minimum remuneration occurring before commencement of Part II

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F34₄

.....
Textual Amendments

F34 Sch. 6 paras. 1-8 repealed (30.8.1993) by 1993 c. 19, s. 51, **Sch.10**; S.I. 1993/1908, art. 2(1), **Sch. 1**.

General saving for accrued rights and related provisions of 1979 Act

.....
F35₅

.....
Textual Amendments

F35 Sch. 6 paras. 1-8 repealed (30.8.1993) by 1993 c. 19, s. 51, **Sch.10**; S.I. 1993/1908, art. 2(1), **Sch. 1**.

Power to preserve accrued rights under wages orders

.....
F36₆

.....
Textual Amendments

F36 Sch. 6 paras. 1-8 repealed (30.8.1993) by 1993 c. 19, s. 51, **Sch. 10**; S.I. 1993/1908, art. 2(1), **Sch.1**.

Exemption orders

.....
F37₇

.....
Textual Amendments

F37 Sch. 6 paras. 1-8 repealed (30.8.1993) by 1993 c. 19, s. 51, **Sch.10**; S.I. 1993/1908, art. 2(1), **Sch.1**.

References to trade boards

.....
F38₈

Status: Point in time view as at 01/01/1996.
Changes to legislation: *There are currently no known outstanding effects for the Wages Act 1986. (See end of Document for details)*

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Textual Amendments

F38 Sch. 6 paras. 1-8 repealed (30.8.1993) by 1993 c. 19, s. 51, **Sch. 10**; S.I. 1993/1908, art. 2(1), **Sch.1**.

F39
.....
9

.....
Textual Amendments

F39 Sch. 6 para. 9 repealed by Employment Act 1989 (c. 38, SIF 43:1), s. 29(4), **Sch. 7 Pt. II**

Payments equivalent to redundancy rebates

- 10 (1) Section 28 of this Act shall not affect the operation of provisions of section 111 of the Employment Protection (Consolidation) Act 1978 for purposes other than those of the making by the Secretary of State of payments under section 111(2).
- (2) The repeals made by this Act shall not affect the operation of section 113 of that Act in relation to any termination of employment occurring before the commencement of section 28 of this Act.

Status:

Point in time view as at 01/01/1996.

Changes to legislation:

There are currently no known outstanding effects for the Wages Act 1986.