



Wages Act 1986

1986 CHAPTER 48

PART I

PROTECTION OF WORKERS IN RELATION TO THE PAYMENT OF WAGES

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;
 - (c) any sum payable by way of pay in pursuance of an order under section 77 of that Act 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 that Act (guarantee payments and other statutory payments in lieu of wages);
 - (e) statutory sick pay under Part I of the Social Security and Housing Benefits Act 1982 ; and
 - (f) in the case of a female worker, maternity pay under Part III of the 1978 Act, but excluding any payments falling within 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.

Status: This is the original version (as it was originally enacted).

- (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).