

## How the minimum wage is calculated

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To check if you are getting the National Minimum Wage or National Living Wage, you compare the minimum wage rates with your average hourly rate.

You work out your average hourly rate based on your 'pay reference period'. The pay reference period is the period of time your pay represents. So if you get paid weekly, your pay reference period will be one week.

It is possible to get paid different hourly rates, as long as on average it works out to be at least the minimum wage.

For example, if you work 40 hours a week and are paid weekly you would need to work out the average hourly rate based on your total pay for the week. So if you get £2.50 per hour for 10 hours and £10 per hour for the other 30 hours, your average hourly rate is £8.12.

### Check if you are getting minimum wage

Use the [National Minimum Wage and Living Wage calculator on GOV.UK](#) to check if:

- you're getting paid the National Minimum Wage or National Living Wage
- you've been paid correctly in previous years

### What else affects minimum wage

National Minimum Wage and National Living Wage can be affected by:

- the amount of time you are required to work
- commission
- work-related expenses
- pay deductions

### Commission

Commission counts towards minimum wage.

Your total pay including any commission you earn must add up to at least the minimum wage for the hours you worked in each pay period.

Your employer must 'top up' your pay if you have not made enough commission to earn the minimum wage.

## What can be deducted from the minimum wage

Your employer is allowed to make some deductions that could leave you with less than the National Minimum Wage or National Living Wage in your take-home pay. This includes:

- tax and National Insurance contributions
- paying back an advance or overpayment
- trade union fees
- a charge for accommodation provided by your employer (see [accommodation rate information on GOV.UK](#))

Some pay deductions and work-related expenses cannot reduce your pay below the minimum wage.

These include:

- tools
- uniforms
- travel costs (except getting to and from work)
- training courses

For example, you might be required to buy a uniform for work. This is allowed as long as your total pay minus the uniform cost is still above the minimum wage.