

Are Part-Time Employees Covered by the National Minimum Wage Act?

Yes. The Act applies to full-time, part-time, temporary and casual employees for any hours worked.

Are employees who are paid on the basis of output/productivity covered by the National Minimum Wage Act?

Yes. - An employer can pay an employee according to his/her output/productivity. The national minimum hourly rate of pay is expressed as an hourly rate of pay, not a piece or productivity rate. Therefore at the end of a pay reference period (which must not extend beyond one calendar month), an employer must ensure that such an employee's reckonable pay divided by the employee's hours of work is not less than the employee's statutory minimum hourly rate of pay entitlement under the Act.

Can an employer reduce an existing employee's pay?

An employee's rate of pay is a term/condition of their contract of employment (employees have a contract of employment or terms of employment whether notified in writing or not).

In some cases the contract or terms of employment stipulate that the employee is paid at the "prevailing NMW hourly rate". Where this is the case then an employer may reduce the employee's pay in line with the NMW rates. In other cases there may be a provision in the contract that provides for a reduction in pay. Where this is not the case any change would normally be by agreement between the parties. Such agreement can be expressed or implied, tacit or by acquiescence (i.e it can be formally agreed, informally or verbally agreed or accepted by the employee).

What options are available to an employee when an employer applies a reduction in pay without agreement?

Any dispute arising in relation to the operation of employment contracts/conditions falls to be settled either between the parties involved or by availing of the State's industrial relations dispute settlement machinery as provided for under the Industrial Relations Acts. In the event of the parties being unable to resolve a dispute relating to conditions of employment, it is open to the parties to refer the matter to the Labour Relations Commission for investigation under the Industrial Relations Acts (for such an investigation to commence the consent of both parties to participate is required).

The Payment of Wages Act 1991 provides that non-payment of wages or any deficiency in the amount of wages properly payable by an employer to an employee is regarded as an unlawful deduction from wages unless the deficiency or non-payment is attributable to an error of computation.

If an employee considers a reduction in their wages to be an improper deduction from wages or non-payment of wages, the employee may consider referring a complaint to a Rights Commissioner under the Payment of Wages Act

