

Jessica Morden MP  
House of Commons  
London  
SW1A 0AA

October 2014

Dear Ms Morden,

As Director General for the Office for National Statistics, I have been asked to reply to your recent Parliamentary Question asking the Secretary of State for Work and Pensions what recent estimate he has made of the number of people in (a) Wales and (b) Newport East constituency earning the minimum wage. (211291).

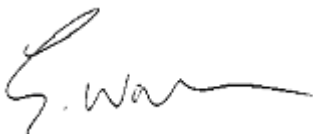
It is not possible to estimate the number of people with earnings at the National Minimum Wage (NMW) with the data sources available. However it is possible to estimate the number of jobs with earnings below the NMW, though not for parliamentary constituencies. In April 2013, the latest period for which estimates are available, there were 13 thousand jobs with hourly pay below the NMW in Wales, which was 1.2% of all employee jobs in Wales.

There are a large number of employee jobs with hourly earnings very close to, but not exactly at, the NMW. To reflect this Low Pay Commission (LPC) produces estimates for the number of 'NMW jobs' which are defined as jobs with earnings up to 5 pence above the NMW. The 2014 LPC report estimates that in April 2013 there were 73 thousand such jobs, 6.4% of the total, in Wales:  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/288841/The\\_National\\_Minimum\\_Wage\\_LPC\\_Report\\_2014.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/288841/The_National_Minimum_Wage_LPC_Report_2014.pdf) (see paragraph 2.16 on page 26).

These estimates are based on data from the Annual Survey of Hours and Earnings (ASHE), which is the most comprehensive source of earnings information in the UK and is carried out in April each year. Figures relate to employee jobs, which are defined as those held by employees and not the self-employed.

Please note that the estimates for the number of jobs with pay below the minimum wage cannot be used as a measure of non-compliance with legislation. This is because it is not possible to determine from the survey data whether an individual is eligible for the minimum wage. For example, it is not possible to identify people such as apprentices and those undergoing training who are exempt from the minimum wage rate or are entitled to lower rates. In addition, if employees receive free accommodation, employers are entitled to offset hourly rates.

Yours sincerely,



Glen Watson  
Director General for ONS