**Changes to the National Minimum Wage from 1st January 2021**

Based on a recommendation from the Low Pay Commission, in Budget 2021 the Government adopted an adjustment to the rates of minimum hourly pay which took effect on 1st January 2021. The table below outlines the new levels of minimum wages.

Minimum wage rates on or after January 2021

|  |  |  |
| --- | --- | --- |
| **Employee age** | **Minimum hourly rate of pay** | **% of minimum wage** |
| National minimum wage (Aged 20 and over) | €10.20 | 100 |
| Aged under 18 | €7.14 | 70 |
| Aged 18 | €8.16 | 80 |
| Aged 19 | €9.18 | 90 |

The headline rate of €10.20 represents a 10c increase from the €10.10 rate applicable in 2020. The 10c adjustment is the smallest increase since 2017.

In order to ensure the salary of full-time worker on minimum wage will remain outside the top rate of USC, the ceiling of the second USC rate band has been increased from €20,484 to €20,687. In the same vein, the weekly income threshold for the higher rate of employer’s PRSI has been raised from €394 to €398.

The minimum rates of hourly pay apply to full-time, part-time, temporary and casual employees. However, there are exceptions for the following categories of employees:

* Employees who are close relatives of the employer, where the employer is a Sole Trader, such as a spouse, civil partner, parent, step-parent, grandparent, child, step-child, grandchild, sibling or half-sibling of the employer;
* A craft apprentice within the meaning of the Industrial Training Act, 1967, or the Labour of Services Act, 1987.

Further information is available from:

The Workplace Relations Commission – click [here](https://www.workplacerelations.ie/en/what_you_should_know/hours-and-wages/national%20minimum%20wage/)

Citizens Information – click [here](https://www.citizensinformation.ie/en/employment/employment_rights_and_conditions/pay_and_employment/pay_inc_min_wage.html)