

Payment of Wages Act, 1960

8 & 9 ELIZ. 2 CH. 37

ARRANGEMENT OF SECTIONS

Section

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SCHEDULE :

Pay Statements.



CHAPTER 37

An Act to remove certain restrictions imposed by the Truck Acts, 1831 to 1940, and other enactments, with respect to the payment of wages; and for purposes connected therewith. [2nd June, 1960]

BE it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1.—(1) If an employed person requests his employer to pay his wages in a way specified in the request, being one of the ways authorised by this Act, and the employer agrees to that request, nothing in the enactments mentioned in the next following subsection shall operate—

- (a) so as to render that request, or the employer's agreement thereto, unlawful, or
- (b) so as to render unlawful or invalid any payment of wages to which the request applies if, at a time while the request and agreement remain in force, the payment is made in the way specified in the request and the requirements of the next following section are fulfilled in relation thereto.

(2) The said enactments (hereafter in this Act referred to as "the specified enactments") are—

- (a) sections one and three of the Truck Act, 1831 (which render unlawful and invalid any contract to pay, or payment of, wages to an artificer otherwise than in the current coin of the realm);

- (b) section one of the Hosiery Manufacture (Wages) Act, 1874 (which requires all contracts for wages to which that Act applies to make the wages payable in the current coin of the realm), and section three of that Act (which imposes penalties) except in so far as it relates to deductions from wages; and
- (c) section twelve of the Stannaries Act, 1887 (which relates to the payment of wages to miners to whom that Act applies).

(3) The following ways of payment are authorised by this Act, that is to say,—

- (a) payment into an account at a bank, being an account standing in the name of the person to whom the payment is due, or an account standing in the name of that person jointly with one or more other persons;
- (b) payment by postal order;
- (c) payment by money order;
- (d) payment by cheque:

Provided that, in relation to the making of any payment before the appointed day, this subsection shall have effect as if paragraph (d) thereof were omitted.

(4) Any request made by an employed person as mentioned in subsection (1) of this section shall be made by notice in writing given to his employer.

(5) An employer may signify his agreement to such a request either by notice in writing given to the employed person or by paying the wages in the way specified in the request.

(6) Any such request—

- (a) shall cease to have effect if, before the end of the period of fourteen days beginning with the day on which the notice containing the request is given, the employer gives to the employed person notice in writing that he refuses the request, and
- (b) in any other case, shall cease to have effect at the end of that period unless before the end thereof the employer has signified his agreement to the request as mentioned in the last preceding subsection.

(7) A request under subsection (1) of this section may be made in respect of part of the wages of an employed person; and, in relation to any such request, any reference in this Act to a payment of wages shall be construed as a reference to a payment of such part of the wages as may be specified in the request.

2.—(1) A request that any wages may be paid into an account at a bank shall specify the bank and the branch thereof at which the account is kept and the person or persons in whose name or names the account stands; and a payment of wages in accordance with such a request does not fulfil the requirements of this section unless it is made into the account so specified.

Requirements applicable to payments authorised by s. 1.

(2) A payment of wages by cheque does not fulfil the requirements of this section unless the cheque is made payable to, or to the order of, the person to whom the wages are due.

(3) A payment of wages in any of the ways authorised by this Act does not fulfil the requirements of this section if, in calculating the payment, any deduction from the gross amount of the wages is made by reason that the payment is made in that way.

(4) Subject to the following provisions of this section, a payment of wages (in whichever of the ways authorised by this Act it is made) does not fulfil the requirements of this section unless, at or before the time when the payment is made, a statement in writing, containing the particulars required by the next following subsection, is given to the employed person.

(5) The said particulars are—

- (a) the gross amount of the wages in respect of which the payment is made, clear of all deductions;
- (b) the amount of each deduction made from that gross amount in calculating the payment, and the matters in respect of which each such deduction is made;
- (c) the net amount payable, being that gross amount less the deductions specified in the statement; and
- (d) where the payment is made in pursuance of such a request as is mentioned in subsection (7) of the preceding section, the net amount payable in the way specified in that request and the net amount of the balance payable otherwise than in accordance therewith:

Provided that this subsection shall have effect subject to the provisions of the Schedule to this Act.

(6) Where a statement is given to an employed person which contains an error in, or omission from, the particulars required by the last preceding subsection, but in other respects complies with the requirements of that subsection, the statement shall be treated as complying with those requirements if it is shown that the error or omission was made by way of a clerical mistake, or was otherwise made accidentally and in good faith.

(7) The Minister may by order vary the provisions of the Schedule to this Act to such extent and in such manner as he may determine ; and any such order—

(a) may make different provision for different classes of cases, and

(b) may contain such transitional, supplementary and incidental provisions as may appear to the Minister to be necessary or expedient for the purposes of the order.

(8) The power to make orders under this section shall be exercisable by statutory instrument, and shall include power to vary or revoke any such order by a subsequent order made thereunder ; and any statutory instrument containing an order made under this section shall be subject to annulment in pursuance of a resolution of either House of Parliament.

Cancellation
of request or
of employer's
agreement.

3.—(1) Subject to the provisions of this section—

(a) an employed person who has made such a request as is mentioned in section one of this Act may at any time cancel that request by notice in writing given to his employer ;

(b) an employer who has agreed to such a request may at any time cancel his agreement thereto by notice in writing given to the person who made the request.

(2) A notice under this section shall take effect at (but not before) the end of the period of four weeks beginning with the day on which the notice is given.

(3) Without prejudice to the exercise of any power conferred by subsection (1) of this section, where such a request and an employer's agreement thereto are for the time being in force, the employer and the employed person may at any time, by agreement in writing, cancel that request and agreement as from such date as may be specified in the agreement made under this subsection.

Payment
of wages
otherwise
than in cash
in cases of
absence.

4.—(1) The provisions of this section shall have effect where, at the time when an employed person's wages fall to be paid, he is absent from the proper or usual place for the payment thereof, or for the payment of so much thereof as is not covered by a request and agreement under section one of this Act, and no notice excluding him from the operation of this section is in force at that time.

(2) If no part of those wages is covered by a request and agreement under section one of this Act, and either—

(a) the employed person has duties in connection with his employment which require him to be absent as mentioned in the preceding subsection, and the employer

has reasonable grounds for believing that he is absent in order to carry out those duties, or

- (b) the employer has reasonable grounds for believing that the employed person's absence is on account of his being ill or having sustained a personal injury,

nothing in the specified enactments shall operate so as to render unlawful or invalid any payment of those wages, if they are paid by postal order or money order and, at or before the time when the payment is made, a statement in writing, containing the particulars required by subsection (5) of section two of this Act, is given to the employed person.

(3) If part of the wages in question is covered by a request and agreement under section one of this Act, and the conditions mentioned in paragraph (a) or paragraph (b) of the last preceding subsection are fulfilled, nothing in the specified enactments shall operate so as to render unlawful or invalid any payment of any part of those wages not covered by such a request and agreement, if it is paid by postal order or money order and, at or before the time when the payment is made, such a statement as is mentioned in the last preceding subsection is given to the employed person.

(4) If an employed person, by notice in writing given to his employer, declares that he does not wish to have any of his wages paid to him by postal order or money order, that notice—

- (a) shall remain in force until cancelled by the employed person by a further notice in writing given to his employer, and
- (b) while it remains in force, shall have effect for the purposes of subsection (1) of this section as a notice excluding him from the operation of this section.

(5) For the purposes of this section wages, or part of wages, shall be taken to be covered by a request and agreement under section one of this Act if a request and agreement, as mentioned in that section, are for the time being in force with respect to those wages or that part thereof, as the case may be.

5.—(1) Anything which, in accordance with any of the preceding provisions of this Act, may be done by an employed person by notice in writing given to his employer may be done by such a notice given either by the employed person himself or by a person authorised by him to act on his behalf; and anything which, in accordance with subsection (3) of section three of this Act, may be done by agreement in writing may be done by such an agreement made by the employer either with the employed person himself or with a person so authorised.

Provisions as to notices and statements.

(2) Any such notice as is mentioned in the preceding subsection, whether given by or on behalf of an employed person,—

(a) may be given by being delivered to the employer, or sent by post addressed to him at the place of business where that person is employed, or

(b) if arrangements in that behalf have been made by the employer, may be given by being delivered to a person designated by the employer in pursuance of the arrangements, or left for such a person at a place so designated, or sent by post to such a person at an address so designated.

(3) Any notice or statement which by any provision of this Act is authorised or required to be given by an employer to an employed person may be given by being delivered to the employed person, or left for him at his usual or last-known place of residence, or sent by post addressed to him at that place.

(4) Any notice or statement which, in accordance with any provision of this section, is left for a person at a place or address referred to in that provision shall, unless the contrary is proved, be presumed to have been received by him on the day on which it was left there.

(5) Nothing in subsection (1) or subsection (2) of this section shall be construed as affecting the capacity of an employer to act by a servant or agent for the purposes of any provision of this Act, including either of those subsections.

Supplementary provisions.

6.—(1) Where, in the case of any wages to which the Truck Act, 1831, applies, a payment of the wages or part thereof is made in circumstances falling within subsection (1) of section one of this Act, or falling within subsection (2) or subsection (3) of section four of this Act, section four of that Act (which confers a right of recovery in respect of wages not actually paid in current coin of the realm) shall not confer any right of recovery in respect of so much of those wages as has been paid in those circumstances, or as represents a lawful deduction taken into account in calculating that payment.

(2) For the purposes of section nine of the Truck Act, 1831 (whereby it is an offence to enter into any contract or make any payment thereby declared illegal),—

(a) no such request and agreement as are mentioned in subsection (1) of section one of this Act, and

(b) no payment falling within paragraph (b) of the said subsection (1), or falling within subsection (2) or subsection (3) of section four of this Act,

shall be treated as a contract or payment declared illegal by that Act.

(3) For the purposes of section five of the Hosiery Manufacture (Wages) Act, 1874 (which precludes any action or set-off for any contract thereby declared illegal), no such request and agreement as are mentioned in subsection (1) of section one of this Act shall be treated as a contract declared illegal by that Act.

(4) For the purposes of subsection (1) of section fourteen of the Wages Councils Act, 1959 (which relates to the computation of remuneration) any amount paid or to be paid to a person in any of the ways mentioned in subsection (3) of section one of this Act (whether that person is an employed person within the meaning of this Act or not) shall be treated as an amount obtained or to be obtained by him in cash, and the provisions of Part II of that Act as to payment of remuneration shall be construed accordingly:

Provided that nothing in this subsection shall affect the rights of any person except in so far as they are rights conferred by that Part of that Act.

(5) The following provisions shall have effect with respect to payment by post, that is to say,—

- (a) a request under section one of this Act for payment by cheque shall not, unless it expressly so provides, be taken to imply a request that cheques in payment of the wages shall be sent by post;
- (b) a request under that section for payment by money order or postal order shall, unless it otherwise expressly provides, be taken to imply a request that money orders or postal orders in payment of the wages shall be sent by post;
- (c) in determining, for the purposes of that section, whether a payment is made in the way specified in a request, it is immaterial whether the payment is or is not sent by post;
- (d) in the case of any payment sent by post, any requirement of this Act that a statement relating thereto shall be given at or before the time when the payment is made shall (if not complied with apart from this paragraph) be treated as complied with if a statement containing the requisite particulars is sent by post together with the payment.

(6) Subject to the preceding provisions of this section, nothing in this Act—

- (a) shall render unlawful or invalid any agreement or payment which apart from this Act is lawful and valid, or

(b) shall render lawful or valid any agreement or payment which, apart from this Act, is unlawful or invalid otherwise than by virtue of any of the specified enactments ;

and, in relation to any payment made in any of the ways authorised by this Act, nothing in this Act shall be construed as rendering lawful a deduction which would not be a lawful deduction if the payment had been made to the employed person in cash.

(7) Nothing in this Act shall operate so as to enable an employed person to be required, by the terms or conditions of his employment or otherwise, to make such a request as is mentioned in section one of this Act, or to refrain from cancelling such a request.

Interpretation.

7.—(1) In this Act, except in so far as the context otherwise requires, the following expressions have the meanings hereby assigned to them respectively, that is to say :—

“ account ” includes both a current account and a deposit account (whether described by that name or as a deposit or in any other way) ;

“ the appointed day ” means such day as the Minister of Labour may appoint by order made by statutory instrument ;

“ bank ” includes a savings bank ;

“ branch ”, in relation to a bank, includes the head office of the bank ;

“ employed person ” (subject to the next following subsection) means any person who is an artificer within the meaning of the Truck Acts, 1831 to 1940, or of the Hosiery Manufacture (Wages) Act, 1874, or is a miner within the meaning of the Stannaries Act, 1887 ;

“ employer ” (subject to the next following subsection) means any person who is an employer within the meaning of the Truck Acts, 1831 to 1940, or of the Hosiery Manufacture (Wages) Act, 1874, or a company within the meaning of the Stannaries Act, 1887 ;

“ money order ” means a money order (not being a postal order) issued in pursuance of section twenty of the Post Office Act, 1953 ;

“ postal order ” has the meaning assigned to it by section twenty-one of the Post Office Act, 1953 ;

“ the specified enactments ” has the meaning assigned to it by subsection (2) of section one of this Act ;

“ wages ” (subject to the next following subsection) means any amount which constitutes wages within the meaning of the Truck Acts, 1831 to 1940, or of the Hosiery

Manufacture (Wages) Act, 1874, or which constitutes wages within the meaning of the Stannaries Act, 1887, including subsist as defined in section eleven of that Act.

(2) Section ten of the Truck Amendment Act, 1887 (which applies the provisions of the Truck Act, 1831, and of that Act to certain outworkers not directly employed) shall have effect for the purposes of this Act as it has effect for the purposes of those Acts, and references in this Act to employed persons, to employers and to wages shall be construed accordingly.

(3) Any reference in this Act to the particulars required by subsection (5) of section two thereof shall be construed as including a reference to the particulars required by that subsection as modified by the provisions of the Schedule to this Act, or by those provisions together with any provisions of an order made under that section which are applicable to the payment in question.

(4) References in this Act to a deduction do not include a part of an employed person's wages which is paid in any of the ways authorised by this Act.

(5) References in this Act to any enactment shall, except where the context otherwise requires, be construed as references to that enactment as amended or extended by or under any other enactment.

(6) In this section "savings bank" means any of the following, that is to say,—

- (a) any trustee savings bank within the meaning of the Trustee Savings Banks Act, 1954 ;
- (b) any bank to which the Savings Bank (Scotland) Act, 1819, applies ;
- (c) any organisation established (whether as a separate body or otherwise) under a local or private Act, in pursuance of a provision in that Act expressly describing it as a savings bank ;
- (d) any organisation formed in the United Kingdom (whether before or after the passing of this Act) which does not fall within any of the preceding paragraphs, but, being an organisation in the nature of a bank, accepts deposits of money for the benefit of the persons making the deposits, and, in the case of all deposits so accepted,—
 - (i) accumulates the produce of the deposits (so far as not withdrawn) at compound interest, and
 - (ii) returns the deposits and produce to the depositors after deducting any necessary expenses of management but without deriving any benefit from the deposits or produce.

Northern
Ireland.

8. No limitation on the powers of the Parliament of Northern Ireland imposed by the Government of Ireland Act, 1920, shall preclude that Parliament from making laws for purposes similar to the purposes of this Act.

Short title,
commence-
ment and
extent.

9.—(1) This Act may be cited as the Payment of Wages Act, 1960.

(2) Section four of this Act, and in their application for the purposes of that section (but not otherwise) sections two, five, six and seven of, and the Schedule to, this Act, shall come into operation at the end of the period of one month beginning with the day on which this Act is passed.

(3) Subject to the last preceding subsection, this Act, except the last preceding section, shall come into operation at the end of the period of six months beginning with the day on which it is passed.

(4) This Act, except the last preceding section, shall not extend to Northern Ireland.

SCHEDULE

Section 2

PAY STATEMENTS

PART I

Deductions

1.—(1) Where a payment of wages or a part of wages (in this Part of this Schedule referred to as “the relevant payment”) is made in one of the ways authorised by this Act, and—

- (a) at or before the time when that payment is made a statement in writing (in this Part of this Schedule referred to as “the relevant statement”) is given to the employed person, and
- (b) that statement complies with the requirements of paragraphs (a) and (c), and (if applicable) of paragraph (d), of subsection (5) of section two of this Act, but does not comply with the requirements of paragraph (b) of that subsection,

the relevant statement shall nevertheless be treated as complying with the requirements of paragraph (b) of that subsection if it complies with the alternative requirements set out in paragraphs 2 to 5 of this Schedule.

(2) In the following provisions of this Part of this Schedule “relevant deduction” means a deduction made from the gross amount of the wages in calculating the relevant payment.

2. The relevant statement must state the amount of each relevant deduction which is not a fixed deduction, and the matters in respect of which each such deduction is made.

3. The relevant statement must either specify the aggregate amount of all those relevant deductions which are fixed deductions, or contain particulars sufficient, without reference to any other document, to enable that aggregate amount to be ascertained.

4. Not more than twelve months before the date of the relevant payment there must have been given to the employed person a statement in writing (in this Part of this Schedule referred to as a “statement of fixed deductions”) specifying—

- (a) the matters in respect of which fixed deductions from his wages were to be made, and
- (b) the amount of each such fixed deduction in accordance with the rate thereof applicable to him at the time when that statement was given to him.

5. If, at any time during the period beginning with the date on which the statement of fixed deductions (or, if more than one such statement has been given to the employed person, the most recent statement of fixed deductions) was given to the employed person and ending with the date of the relevant payment, there has been any change in the fixed deductions specified in that statement, whether

by the addition of a new fixed deduction or the cancellation of a fixed deduction, or by way of an increase or decrease in the amount of a fixed deduction, notice in writing of that change must either—

- (a) have been given to the employed person before the date of the relevant statement, or
- (b) be given to him in the relevant statement or together therewith.

PART II

Instalment of wages paid in different ways

6. This Part of this Schedule applies to any instalment of wages of which—

- (a) part is paid in one of the ways authorised by this Act in pursuance of a request made by the employed person in accordance with subsection (7) of section one of this Act, and
- (b) the whole or part of the balance is paid in another of those ways, either in pursuance of another such request made by him or by virtue of subsection (3) of section four of this Act.

7. In relation to an instalment of wages to which this Part of this Schedule applies, paragraph (d) of subsection (5) of section two of this Act shall be construed as requiring the net amount of the part thereof referred to in sub-paragraph (a) of the last preceding paragraph, and the net amount of the balance, or part of the balance, referred to in sub-paragraph (b) of the last preceding paragraph, to be separately shown in the statement, as well as the net amount of the balance (if any) which is not paid in any of the ways authorised by this Act.

8. For the purposes of this Part of this Schedule payment into different accounts, whether at the same or at different banks, shall be treated as payment in different ways authorised by this Act.

PART III

General

9. In paragraph (c) of subsection (5) of section two of this Act, the reference to the deductions specified in the statement shall be construed as including a reference to any fixed deduction of which the amount is comprised in an aggregate amount which is either specified in the statement or is ascertainable therefrom as mentioned in paragraph 3 of this Schedule.

10. Any reference in Part I of this Schedule to the requirements of paragraph (c) or paragraph (d) of subsection (5) of section two of this Act shall be construed as including a reference to the requirements of that paragraph as modified by Part II of this Schedule or by the last preceding paragraph, as the case may be.

11. Where a statement or notice is given to an employed person for the purposes of paragraph 4 or paragraph 5 of this Schedule, and—

(a) in the case of such a statement, it contains an error in, or omission from, the matters required by paragraph 4 of this Schedule to be contained therein, or

(b) in the case of such a notice, it contains an error in describing the deduction or the change to which the notice relates,

but in other respects the statement or notice complies with the requirements of the paragraph in question, the statement or notice shall be treated as complying with those requirements if it is shown that the error or omission was made by way of a clerical mistake, or was otherwise made accidentally and in good faith.

12. In this Schedule “fixed deduction” means any deduction which—

(a) is made on account of contributions (other than graduated contributions) under the National Insurance Act, 1946, the National Insurance (Industrial Injuries) Act, 1946, or the National Health Service Contributions Act, 1957, or under any enactment for the time being in force amending or substituted for any of the provisions of those Acts, or

(b) not being a deduction on account of income tax or any other deduction of which the amount varies from one wages period to another by reference (wholly or partly) to the gross amount of the wages, is a deduction of a recurring nature which does not fall within the preceding subparagraph.



Table of Statutes referred to in this Act

Short Title	Session and Chapter
Savings Bank (Scotland) Act, 1819	59 Geo. 3. c. 62.
Truck Act, 1831	1 & 2 Will. 4. c. 37.
Hosiery Manufacture (Wages) Act, 1874	37 & 38 Vict. c. 48.
Stannaries Act, 1887	50 & 51 Vict. c. 43.
Truck Amendment Act, 1887	50 & 51 Vict. c. 46.
Government of Ireland, 1920	10 & 11 Geo. 5. c. 67.
National Insurance (Industrial Injuries) Act, 1946	9 & 10 Geo. 6. c. 62.
National Insurance Act, 1946	9 & 10 Geo. 6. c. 67.
Post Office Act, 1953	1 & 2 Eliz. 2. c. 36.
Trustee Savings Bank Act, 1954	2 & 3 Eliz. 2. c. 63.
National Health Service Contributions Act, 1957	5 & 6 Eliz. 2. c. 34.
Wages Councils Act, 1959	7 & 8 Eliz. 2. c. 69.

CH. 37

Payment of Wages Act, 1960

8 & 9 ELIZ. 2

LONDON: PUBLISHED BY HER MAJESTY'S STATIONERY OFFICE

PRINTED IN ENGLAND

(38314)

ISBN 0 10 850342 9