

A FIELD CHECKLIST FOR UK SPONSOR LICENCE HOLDERS

The 2026 National Minimum Wage Checklist *for sponsors.*

Eight risks to check, before you
need to.

PRODUCED BY

Borderless

FOR

UK sponsor licence
holders

IN FORCE FROM

1 April 2026

PAGES

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BEFORE YOU START

This checklist reflects the National Minimum Wage rules in force from April 2026 onwards, including the launch of the Fair Work Agency and the new rolling pay-period check for sponsored workers.

If you last audited your pay structures before April, some of what follows is new ground. The aim isn't to teach you the law from scratch. It's to surface the eight risks that most often catch employers out, with a clear next step for each one.

01

RISK ONE · PAYROLL

Uniform and PPE deductions

WHAT THIS IS

Charging staff for required uniform, PPE, or branded clothing can drop their effective hourly rate below the legal minimum, even when no one in payroll meant for it to. It's the most common single trigger on the most recent name-and-shame list.

YOU'RE AT RISK IF

- You sell uniform or branded clothing to new joiners and recover the cost from their first month's pay.
- Workers buy their own PPE (shoes, gloves, scrubs, branded items) and you reimburse via a fixed allowance that doesn't track real spend.
- You hold a uniform deposit that doesn't get returned promptly when staff leave.

SPONSOR LICENCE OVERLAY

If a deduction takes a sponsored worker below the salary stated on their Certificate of Sponsorship, that's a CoS breach as well as an HMRC issue.

ACTION THIS QUARTER

Audit any kit, clothing, or footwear cost passed to staff in the last 12 months. If it dips anyone below the relevant rate, refund and adjust before the next pay period.

RISK TWO · WORKING TIME

02 Travel time between appointments

WHAT THIS IS

For care, field-service, and multi-site workers, time spent travelling between client visits counts as working time and must be paid. Paying for "contact time" only almost always fails the calculation once travel is added back in.

YOU'RE AT RISK IF

- You pay an hourly contact-time rate without explicitly accounting for travel time between visits.
- Workers travel between appointments on public transport or on foot, and you reimburse only mileage (or not at all).
- Your rostering software assumes a fixed travel allowance per shift rather than recording actual journeys.

WHERE IT SHOWS UP

Domiciliary care, mobile maintenance, retail merchandising, multi-site cleaning, district nursing.

SPONSOR LICENCE OVERLAY

Most sponsored care and field workers are on hourly-paid contracts where this hits hardest. A failure on travel time can drag the effective hourly rate below both the National Minimum Wage and the going rate on the Certificate of Sponsorship, in the same pay reference period.

ACTION THIS QUARTER

Sample one worker's last full week of travel. Add their travel and waiting time to their contact time, then divide their gross pay by that total. If the result is below their age-band rate, your contact-time price needs revising.

03

RISK THREE · WORKING TIME

Sleep-in shifts

WHAT THIS IS

Since the Mencap ruling in 2021, only time spent awake and working counts towards the National Minimum Wage on a sleep-in. Flat-fee sleep-in arrangements often don't survive the maths once response time is included.

YOU'RE AT RISK IF

- You pay a flat sleep-in fee that, divided by the hours actually worked during the night, falls below the worker's age-band rate.
- Staff regularly get up to respond to clients during sleep-ins, and that response time isn't separately logged or paid at the proper rate.
- Your sleep-in policy hasn't been reviewed since the 2021 Supreme Court judgment.

AUTHORITY

Royal Mencap Society v Tomlinson-Blake (2021) UKSC 8. The Supreme Court drew a hard line: only the time the worker is required to be awake counts.

SPONSOR LICENCE OVERLAY

Rate slips on regular sleep-in workers can drag a single monthly pay period below the CoS-stated rate. The new three-month rolling check makes those slips far more visible than annual averaging used to.

ACTION THIS QUARTER

Pull a sample of three sleep-in workers' last quarter. Cross-reference response-time logs against pay. If response time isn't logged at all, that's the first fix.

RISK FOUR · PAY STRUCTURE

04 Salary sacrifice and benefit schemes

WHAT THIS IS

Pension salary sacrifice, cycle-to-work, and childcare voucher schemes all reduce a worker's gross pay for National Minimum Wage purposes. For workers near the floor, even small sacrifices can dip take-home pay below the legal minimum.

YOU'RE AT RISK IF

- You run any salary sacrifice scheme that workers earning at or near the National Minimum Wage are enrolled in by default.
- Younger workers (under 21) are on the same default benefits package as older staff, without a rate-floor check.
- Your payroll system runs sacrifice deductions before checking the resulting pay against the relevant minimum rate.

A TYPICAL EXAMPLE

A 22-year-old earning the National Living Wage who opts into 5% pension sacrifice drops below the minimum hourly rate. Compliance fails the moment the deduction runs.

SPONSOR LICENCE OVERLAY

Salary sacrifice is sponsor-blind. The same dip can take a sponsored worker below the rate on their Certificate of Sponsorship without flagging anywhere in payroll.

ACTION THIS QUARTER

Run an exception report: any worker enrolled in salary sacrifice whose post-sacrifice hourly rate is within 5% of their age-band minimum. Review individually.

05

RISK FIVE · WORKING TIME

Training and induction time

WHAT THIS IS

Approved training, supervision, and most appraisal time count as working time and must be paid at the relevant minimum rate. Induction is the trap: after the 2021 Opalkova ruling, induction is likely to count the moment the offer is accepted, even if the formal start date is later.

YOU'RE AT RISK IF

- New starters complete unpaid induction or onboarding training before their official first day.
- Mandatory training (safeguarding, manual handling, anti-money-laundering) happens outside paid hours.
- Workers attend supervisions or appraisals on a "voluntary" basis with no recorded pay.

AUTHORITY

Opalkova v Acquire Care Ltd (2021). The tribunal ruled mandatory pre-start induction training can constitute working time for NMW purposes. Employers cannot treat it as unpaid simply because the worker has not yet formally started.

SPONSOR LICENCE OVERLAY

Unpaid induction days for new sponsored hires can shift the first pay reference period below threshold. Three of those in a quarter and the new three-month rolling check flags it.

ACTION THIS QUARTER

List every training session, induction day, and supervision appointment in the last quarter. Confirm each one was paid. If any weren't, calculate the gap and rectify.

RISK SIX · PAY STRUCTURE

06 Premium and enhanced rates

WHAT THIS IS

Paying basic at the minimum rate and topping up for weekends, nights, or unsocial hours doesn't average for compliance purposes. HMRC uses the lowest contractual rate as the baseline. Many employers assume the higher rates "wash" against the lower ones. They don't.

YOU'RE AT RISK IF

- You pay a lower hourly rate during the week and a higher rate at weekends or nights, both for the same role and duties.
- Your contracts describe a single hourly rate with "enhancements" or "premiums" layered on for specific shifts.
- Travel time is paid at a flat lower rate than contact time, on the assumption that the contact rate will cover it.

RULE OF THUMB

If a worker can have a single pay reference period at the lower rate without uplift, your compliance baseline is that lower rate, not the blended average.

SPONSOR LICENCE OVERLAY

The going rate for a sponsored worker's SOC code is calculated on basic, not blended. The same logic applies. A pattern that just clears the National Minimum Wage on the lower rate can still fall short of the going rate, which is the floor the Home Office cares about.

ACTION THIS QUARTER

Identify any role paid at two or more rates. Calculate compliance using the lowest rate against total hours, including travel and training. If the result is below the worker's age-band minimum or the going rate, restructure.

RISK SEVEN · DEDUCTIONS

07 Accommodation deductions

WHAT THIS IS

Where a worker is provided accommodation, only the daily accommodation offset can be discounted from the National Minimum Wage calculation. Anything above the offset brings their compliance rate down. The offset is set annually and reviewed each April.

YOU'RE AT RISK IF

- You deduct rent for sponsor-provided accommodation that, on a daily basis, sits above the current offset.
- Live-in care arrangements involve free or discounted accommodation with no formal documentation of the daily value.
- Workers pay you back for utilities, board, or meals out of their wages.

THE 2026 OFFSET

£11.10 per day. Anything above that, on a per-day basis, reduces the worker's compliance rate by the difference.

SPONSOR LICENCE OVERLAY

Care providers offering live-in arrangements and any sponsor providing housing are exposed twice. The worker's effective pay can fail against the National Minimum Wage and against the CoS-stated salary, on the same payroll record.

ACTION THIS QUARTER

Pull the daily accommodation rate you charge against the current offset (see Page 12). If the daily charge is higher, the difference is reducing the worker's compliance pay. Document and revisit.

08

RISK EIGHT · PAYROLL

Rate-band birthdays

WHAT THIS IS

Workers turning 18 or 21, or moving out of an apprenticeship year, are entitled to a higher rate from the next pay reference period. Payroll systems that don't auto-uplift on a birthday are the single most common low-effort error HMRC finds.

YOU'RE AT RISK IF

- Your payroll software doesn't flag worker birthdays that move them into a higher National Minimum Wage band.
- Apprenticeship anniversaries (start of year two, end of qualifying period) aren't tracked separately from birthdays.
- HR and payroll sit in different systems with no automated handover of age-band changes.

THE BOUNDARIES

18 £8.00 → £10.85 21 £10.85 → £12.71

SPONSOR LICENCE OVERLAY

Any rate slip on a sponsored worker is now visible in the HMRC and Home Office payroll feed. A missed birthday uplift, even by one pay period, is a discoverable error.

ACTION THIS QUARTER

Pull a list of every worker turning 18 or 21 in the next six months. Schedule a payroll review for the pay reference period in which each one's birthday falls.

WHAT CHANGED

If you sponsor workers, two new rules apply *from 8 April 2026*.

Both came in alongside the Fair Work Agency launch. Both change the maths on sponsored workers specifically.

NEW RULE

01

The rolling three-month pay-period check

For monthly-paid sponsored workers, the Home Office now checks minimum hourly rate compliance across a rolling three-month window, rather than averaged annually. A good month no longer absorbs a bad one, and a single quarter below the rate is enough to trigger a compliance review.

WHAT TO CHECK

Any sponsored worker on monthly pay whose rate sits close to the National Minimum Wage or the going rate. Run the three-month rolling figure now, then again at the end of each pay reference period.

NEW RULE

02

The going rate runs alongside the National Minimum Wage

A sponsored worker must be paid at least the higher of two figures: the National Minimum Wage for their age band, or the going rate for their SOC code. Both apply at the same time, in the same pay reference period.

Most sponsors know the going rate. Fewer know that the National Minimum Wage is a parallel floor, with its own rules on what counts as eligible pay, and its own enforcement body now in the Fair Work Agency.

WHAT TO CHECK

For every sponsored hire, confirm which of the two figures applies, and confirm that all eligible pay (after deductions, sacrifices, and offsets) clears it.

SELF-AUDIT

The eight-point self-audit.

Run the questions below against your last full quarter of payroll. Mark each as Green, Amber, or Red.

BORDERLESS POV

Most National Minimum Wage problems aren't bad-faith underpayment. They're routine pay structures that stopped working when the rules changed. The eight risks in this checklist are the ones that catch employers out most often, and the ones easiest to fix once you can see them.

#	THE QUESTION TO ANSWER	STATUS
01	Uniform, PPE, or kit costs passed to staff: have you confirmed none drop anyone below their age-band rate?	G A R
02	Travel and waiting time: is it included in the hourly rate calculation for everyone who travels between sites?	G A R
03	Sleep-ins: are response-time logs kept, and does flat-fee pay clear the rate when divided by hours actually worked?	G A R
04	Salary sacrifice schemes: is anyone enrolled whose post-sacrifice rate sits within 5% of the minimum?	G A R
05	Training and induction: is all approved training, including pre-start induction, paid at the relevant rate?	G A R
06	Premium and enhanced rates: does compliance hold when calculated against the lowest hourly rate, not the blended rate?	G A R
07	Accommodation deductions: is your daily charge for sponsor-provided housing within the current offset?	G A R
08	Rate-band birthdays: does payroll auto-uplift workers crossing into a new National Minimum Wage band?	G A R

ALL GREEN

Keep the audit on file. HMRC presumes underpayment unless an employer can show otherwise, so a documented self-audit is your evidence.

ANY AMBER

Run a wider sample on the affected risk areas before you sign off. One borderline case usually points to a structural pattern.

ANY RED

Plan the fix this pay reference period, not next. See Page 12 for the next steps.

WHAT TO DO NEXT

Three routes, in plain order.

- A** IF YOU'VE FOUND SOMETHING

Voluntary disclosure to HMRC is the cheapest route. Self-reported underpayments attract reduced penalties, and the conversation lands better with the Home Office than a finding flagged through the payroll data feed.
- B** IF YOU'RE NOT SURE

A sample audit of one worker group is the quickest sense-check. The eight questions on Page 11 are designed to work on a single worker's last quarter of pay. Scale the approach from there.
- C** IF YOU'D LIKE A SECOND PAIR OF EYES

Borderless can run a sponsor-side compliance review that covers National Minimum Wage and Certificate of Sponsorship rate alignment in one pass. One call, one report, one set of fixes.

BOOK A 20-MINUTE COMPLIANCE CALL →

Get it right now, and the new joined-up enforcement works in your favour. There's just too much at stake to leave to the next quarter.

FOR YOUR REFERENCE

The 2026 rates. In force from 1 April 2026.

<p>21 AND OVER</p> <p>National Living Wage</p> <p>£12.71</p> <p>per hour</p>	<p>18 TO 20</p> <p>Development rate</p> <p>£10.85</p> <p>per hour</p>	<p>UNDER 18</p> <p>Young worker rate</p> <p>£8.00</p> <p>per hour</p>	<p>APPRENTICE</p> <p>Year 1, or under 19</p> <p>£8.00</p> <p>per hour</p>
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ACCOMMODATION OFFSET
£11.10 per day. The offset is set annually and reviewed each April.

THE FORMULA

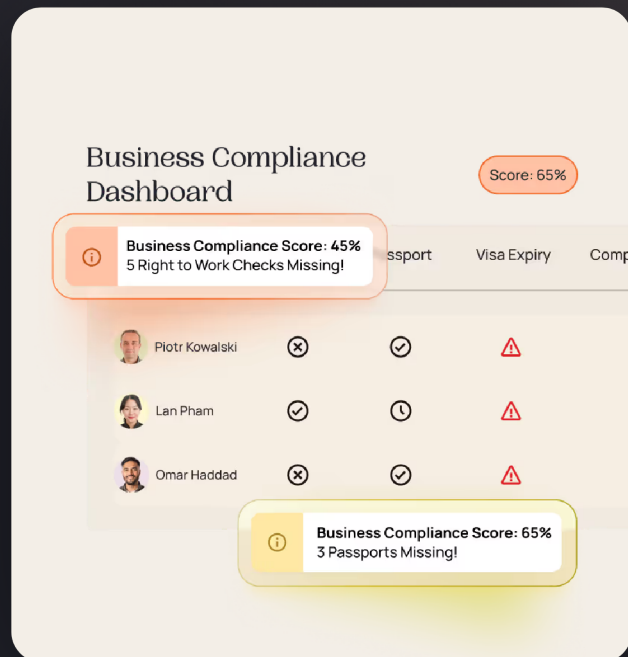
Total eligible pay (excluding overtime, weekend and shift premiums, and most allowances), divided by total hours worked (including travel between sites, paid training, supervision, and time spent responding during on-call or sleep-in shifts), must equal or exceed the worker's age-band rate, for every pay reference period.

ABOUT BORDERLESS

The UK platform for sponsor licence holders.

Borderless runs Certificates of Sponsorship, visa applications, right to work checks, and ongoing compliance in one place, for over 500 employers and 13,000 sponsored workers across every sector that sponsors.

BOOK A 20-MINUTE COMPLIANCE CALL



VISIT

getborderless.co.uk/demo

EDITION

April 2026

DOCUMENT

The 2026 NMW Checklist for Sponsors