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Paydata Business Insight
National Statistics

October 2021: PAYstats Pay and Labour Market Statistics

Quarterly Edition

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AIMS

Our quarterly round-up brings together trends and opinions on what is happening and what the future holds for:

- Inflation
- Employment
- Earnings
- Pay Settlements
  - Historic
  - Predictive
- PAYstats – pay and labour market statistics

KEY FINDINGS

- The Consumer Prices Index (CPI) rose by 3.1% in the 12 months to September 2021, down from 3.2% in August.
- Following a period of employment growth and low unemployment, since the start of the pandemic the employment rate generally decreased, and the unemployment rate increased. However, since the end of 2020, both have shown signs of recovery.
- The number of job vacancies in July to September 2021 was a record high of 1,102,000, an increase of 318,000 from its pre-pandemic (January to March 2020) level.
- Growth in average total pay (including bonuses) was 7.2% and regular pay (excluding bonuses) was 6.0% among employees for the three months June to August 2021.
- Over four-fifths of employers are planning a pay review in the next 12 months (until June 2022). Among these employers, a third expect pay to increase [...]. There continue to be high levels of uncertainty, however, with the largest category of response at just under two-fifths (37%) reporting it is hard to tell and will depend on organisational performance.

If you would like to find our more about any of the information contained in this PAYstats bulletin please contact us via:

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Inflation

> CPI inflation is expected to rise further in the near term, to slightly above 4% in 2021 Q4, owing largely to developments in energy and goods prices."
>
> **BANK OF ENGLAND MPC MINUTES**
> September 2021

BANK OF ENGLAND MONETARY POLICY REPORT (AUGUST 2021)

Twelve-month CPI inflation rose to 2.5% in June, above the MPC's 2% target and 0.8 percentage points higher than expected in the May Report. Core CPI inflation has also risen further, to 2.3%, as building global input cost pressures have been passed through to some consumer goods prices and, to a lesser degree, the reopening of the economy has led to a pickup in some consumer services and goods prices. CPI inflation is projected to rise temporarily in the near term, to 4% in 2021 Q4, owing largely to developments in energy and other goods prices, before falling back to close to the 2% target. The Committee's central expectation is that current elevated global and domestic cost pressures will prove transitory. Nonetheless, the economy is projected to experience a more pronounced period of above-target inflation in the near term than expected in the May Report. In the medium term, conditioned on the market path for interest rates, inflation is projected to fall back to close to the 2% target, and demand and supply are expected to return broadly to balance.

BANK OF ENGLAND MPC MINUTES (SEPTEMBER 2021)

Twelve-month CPI inflation rose from 2.0% in July to 3.2% in August, compared with the 3.0% figure expected in the August Report, and triggered the exchange of open letters between the Governor and the Chancellor of the Exchequer that is being published alongside this monetary policy announcement. Core inflation also rose to 3.1% in August, its highest rate since November 2011. While base effects accounted for the majority of the increase in CPI inflation between July and August, global cost pressures have continued to affect UK consumer goods prices. To a lesser degree, the reopening of the economy has led to a further increase in some consumer services prices. Indicators of households' medium-term inflation expectations have increased in recent months, with the Citi/YouGov five-to-ten year ahead measure at its highest level since 2013 in September.

CPI inflation is expected to rise further in the near term, to slightly above 4% in 2021 Q4, owing largely to developments in energy and goods prices. The material rise in spot and forward wholesale gas prices since the August Report represents an upside risk to the MPC's inflation projection from April 2022. Most other indicators of cost pressures have remained elevated. The Committee's central expectation continues to be that current elevated global cost pressures will prove transitory.

OFFICE FOR NATIONAL STATISTICS (SEPTEMBER 2021)

The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 2.9% in the 12 months to September 2021, down from 3.0% in the 12 months to August. The largest upward contribution came from transport (0.91 percentage points) with further large upward contributions from housing and household services (0.69 percentage points), restaurants and hotels (0.34 percentage points), and recreation and culture (0.31 percentage points).

The Consumer Prices Index (CPI) rose by 3.1% in the 12 months to September 2021, down from 3.2% in August. On a monthly basis, CPI increased 0.3% in September 2021, compared with a rise of 0.4% in September 2020.

Employment

CIPD LABOUR MARKET OUTLOOK (SUMMER 2021)

The net employment balance measures the difference between the proportion of employers that expect recruitment and redundancies to increase staff levels and those that expect to decrease staff levels in the second quarter of 2021. With the onset of COVID-19 in 2020, the balance plunged into negative territory, but the recovery in employer confidence since has been dramatic. For the third consecutive quarter, the balance is positive. In fact, the balance grew from +27 in spring 2021 to +32 in summer 2021. The net employment balance is +33 in the private sector, +30 in the voluntary sector and +27 in the public sector.

The balance has been driven up by a higher proportion of employers looking to increase their staff levels. This is mirrored in official statistics, with vacancies registering 10% above pre-pandemic levels in the latest release. Like our employment balance, vacancies are to an extent forward-looking due to lead times in recruitment. Meanwhile, official statistics are also showing that redundancies have settled back to pre-pandemic levels. At previous stages of the pandemic, employers have been able to flex the workforce to meet demand by taking employees on and off furlough, resulting in dramatic changes to numbers furloughed in response to easing of restrictions. This is becoming more difficult to do as the proportion of the workforce on furlough decreases, meaning that active recruitment is having to work harder.

BANK OF ENGLAND MONETARY POLICY REPORT (AUGUST 2021)

The Labour Force Survey unemployment rate was 4.8% in the three months to May, 1 percentage point higher than at the end of 2019. The inactivity rate was also 1 percentage point above its level at the end of 2019. The number of full and part-time furloughed jobs has continued to decline as demand has recovered, but remained at around 2 million at the end of June. The stock of vacancies has increased further, as have indicators of recruitment difficulties. There appear to have been difficulties in matching available jobs and workers. These frictions are for a period reducing effective supply in the economy. Overall, the MPC judges that spare capacity has been eroded over the past couple of quarters, as demand has outstripped growth in effective supply. Frictions in the labour market are judged likely to dissipate over the forecast period, boosting growth in effective supply capacity. There is uncertainty around these judgements, including how the economy will adjust to the end of the furlough scheme.

BANK OF ENGLAND MPC MINUTES (SEPTEMBER 2021)

The Labour Force Survey (LFS) unemployment rate had fallen to 4.6% in the three months to July, slightly below the expectations in the August Monetary Policy Report. The unemployment rate had remained 0.8 percentage points above its 2019 Q4 level of 3.8%. LFS employment had grown by 0.6% in the three months to July, slightly above expectations at the time of the August Report. HMRC payroll data suggested that employee numbers had increased by 241,000 in August and had surpassed their 2019 Q4 level, although these data were prone to revision. The inactivity rate had fallen to 36.7% in the three months to July and had unwound around one fifth of its increase over the course of the pandemic.

+32

this quarter's net employment balance

10%

vacancies are registering 10% above pre-pandemic levels

Indicators of redundancies had remained subdued in the run-up to the end of the CJRS. The level of LFS redundancies had fallen in the three months to July, and the redundancy rate had decreased to 3.4%, around 0.5 percentage point below pre-pandemic levels. Indicators of labour demand had remained strong and the labour market appeared to have tightened further. The stock of job vacancies had risen above 1 million in August, surpassing the previous record set in July. The ratio of vacancies to unemployment had also risen rapidly, and had surpassed its 2019 average on a single month basis.

OFFICE FOR NATIONAL STATISTICS (OCTOBER 2021)

The number of payroll employees showed another monthly increase, up 207,000 to a record 29.2 million in September 2021, returning to pre-coronavirus (COVID-19) pandemic (February 2020) levels.

Following a period of employment growth and low unemployment, since the start of the pandemic the employment rate generally decreased, and the unemployment rate increased. However, since the end of 2020, both have shown signs of recovery. Our latest Labour Force estimates for June to August 2021 show the employment rate increased by 0.5 percentage points on the quarter, to 75.3%. and the unemployment rate decreased by 0.4 percentage points, to 4.5%. The economic inactivity rate is down 0.2 percentage points on the previous quarter, to 21.1%.

The number of job vacancies in July to September 2021 was a record high of 1,102,000, an increase of 318,000 from its pre-pandemic (January to March 2020) level; this was the second consecutive month that the three month average has risen over one million. All industry sectors were above or equal to their January to March 2020 pre-pandemic levels in July to September 2021, with Accommodation and food service activities increasing the most, by nearly 50,000 (59%). The experimental single-month vacancy estimates recorded almost 1.2 million in September 2021, which is a record high.

MANPOWER EMPLOYMENT OUTLOOK SURVEY (Q4 2021)

Employers in the UK report bright hiring prospects for the October to December time frame. With 50% of employers expecting to increase payrolls, 18% anticipating a decrease and 30% forecasting no change, the resulting Net Employment Outlook is +32%.

Once the data is adjusted to allow for seasonal variation, the Outlook also stands at +32%. Hiring sentiment is the strongest since the current analysis was adopted in 2008, improving by 20 percentage points when compared with the previous quarter and by 39 percentage points in comparison with the same period last year.

An increase in payrolls is expected in all 12 regions during the fourth quarter of 2021, with the strongest hiring activity forecast for London and the East Midlands [...]. Bright hiring prospects are reported in two regions [...] - the North East and Wales – while the Outlook for the West Midlands [is also positive]. Employers also forecast robust labour markets in the South West [...] and in the East [...]. Hiring plans strengthen in all 12 regions when compared with the previous quarter [...].

Workforce gains are anticipated in all seven industry sectors where data is available* for the coming quarter. Booming labour markets are forecast for the Utilities sector and the Finance & Business Services sector, [...]. In the Transport & Communications sector, employers anticipate a vigorous hiring pace [...], [as does] the Construction sector [...].

> **More than a quarter of employers in the UK are increasing wages as an incentive to fill roles, however we need to see a comparable rise in productivity to sustain these wage bumps."**
>
> **CHRIS GRAY**
> Director
> ManpowerGroup UK

Chris Gray, Director, ManpowerGroup UK says:

"The labour market has roared back to life for the fourth quarter, and it has topped last quarter's already record Outlook to hit +32%. This follows the rapid vaccine rollout across the UK and the end of restrictions this summer. However, the market is still reeling from Brexit and the turmoil of the last 18 months and demand for talent is fast outstripping supply. It's a perfect storm.

"More than a quarter of employers in the UK are increasing wages as an incentive to fill roles, however we need to see a comparable rise in productivity to sustain these wage bumps. Some are turning to other benefits to entice new workers, we're seeing many offer joining bonuses, additional annual leave, enhanced training opportunities and hybrid working options – such as employees selecting their own shifts. These non-financial incentives are particularly popular in industries such as hospitality and retail where profit margins don't allow significant wage increases. Some of these changes aren't sustainable as a long-term solution to the talent gap. Employers need to think carefully about their potential to upskill and reskill workers in preparation for potential ongoing talent supply issues."

KPMG / REC REPORT ON JOBS (OCTOBER 2021 PRESS RELEASE)

According to the latest KPMG and REC, UK Report on Jobs, recruitment activity continued to rise rapidly across the UK at the end of the third quarter, fuelled by robust demand for staff and rising economic activity.

Permanent staff appointments expanded at a pace that was only slightly slower than August's all-time record, while temp billings growth edged down to a five-month low but remained marked.

The upturn in recruitment coincided with further steep increases in demand for both permanent and temporary staff. Overall vacancies increased at one of the quickest rates on record, with growth of permanent staff demand remaining quicker than that seen for temp workers.

September survey data showed a further substantial drop in the availability of staff, with the rate of deterioration easing only slightly from August's all-time record. Recruiters indicated that greater demand for staff, a generally high employment rate, fewer EU workers and a lack of confidence among employees to switch roles due to the pandemic had all contributed to the latest decline in candidate numbers.

Claire Warnes, Head of Education, Skills and Productivity at KPMG UK, said:

"The sharp rise in hiring activity is a reason to be hopeful, but competition is fierce. The end of the furlough scheme should be bringing tens of thousands of new people to the jobs market, but many do not have the right skills to transfer to the sectors with most demand. Reskilling and supporting people to move jobs which are in demand needs to be speeded up. Otherwise we may see these clear tensions in the labour market turning into a workforce crisis in many sectors."

"The end of the furlough scheme should be bringing tens of thousands of new people to the jobs market, but many do not have the right skills to transfer to the sectors with most demand."

CLAIRE WARNES
Partner and Head of Education, Skills and Productivity
KPMG UK

Earnings

> Demand for workers continued to grow last month, while staff availability fell at a near record pace. Competition for staff has led to the fastest growth in starting salaries since this survey began – not just in logistics and food processing, but in white collar professions as well."
>
> **NEIL CARBERRY**
> Chief Executive
> REC

BANK OF ENGLAND MONETARY POLICY REPORT (AUGUST 2021)

Annual growth in average weekly earnings reached the highest rates since the series began in the three months to May 2021. Growth in private sector regular pay reached 7.2%, and annual growth to the single month of May was higher still. However, these data have been affected by the significant changes in the labour market caused by Covid. Bank staff estimate that underlying annual pay growth is 3.3% – much lower than the 7.2% recorded in the official data in the three months to May. Because these adjustments remove the sharp fall in wages associated with the furlough scheme, the underlying pay growth measure is less affected by the base effects which are currently boosting the headline data.

Underlying annual average pay growth appears to have been close to pre-Covid rates during the first half of 2021. Bank staff expect that underlying annual wage growth will strengthen to 4% in Q2 overall and rise further to over 4.5% in Q3, supported by the recovery in the labour market. Other indicators of wage growth point to a broadly similar picture. According to HMRC payroll data, the median of annual pay growth was around 4% in the three months to June. The level of underlying wages is estimated to have risen by around 4% in the six quarters since 2019 Q4, implying annual growth of around 2.75%, on average, during the pandemic.

BANK OF ENGLAND MPC MINUTES (SEPTEMBER 2021)

Private-sector regular Average Weekly Earnings (AWE) had risen by 7.8% in the three months to July on a year earlier, compared to 8.4% in the three months to June. AWE growth had continued to be boosted by compositional effects, given that job losses had been skewed towards lower-paid employees during the pandemic. AWE growth had also been pushed up mechanically by the CJRS recently, with just under 7% of private sector jobs having been furloughed in July, compared to around 23% in July 2020. Adjusted for the mechanical effects of the CJRS and changes in composition, Bank staff estimated that private sector regular pay growth had been around 4%, above pre-pandemic rates.

KPMG / REC REPORT ON JOBS (OCTOBER 2021 PRESS RELEASE)

An imbalance of supply and demand for staff led to further upward pressure on rates of starting pay. Salaries awarded to new permanent joiners and wages awarded to temporary staff both increased at the fastest rates in 24 years of data collection.

Commenting on the latest survey results, Neil Carberry, Chief Executive of the REC, said: "Demand for workers continued to grow last month, while staff availability fell at a near record pace. Competition for staff has led to the fastest growth in starting salaries since this survey began – not just in logistics and food processing, but in white collar professions as well."

ONS AVERAGE WEEKLY EARNINGS (OCTOBER 2021)

Growth in average total pay (including bonuses) was 7.2% and regular pay (excluding bonuses) was 6.0% among employees for the three months June to August 2021. However, annual growth in average employee pay is being affected by temporary factors that have inflated the increase in the headline growth rate.

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Pay Settlements - Historic

Pay Settlements

2.0%
CIPD

2.0%
XpertHR

2.0%
Labour Research Department

2.0%
Paydata

CIPD LABOUR MARKET OUTLOOK (SUMMER 2021)

After dropping to 1% growth for four consecutive quarters during the pandemic, median basic pay settlements have held at the 2% pre-pandemic level reached last quarter.

BANK OF ENGLAND MPC MINUTES (SEPTEMBER 2021)

The Bank's Agents' contacts had reported an increase in pay settlements recently. Their contacts had also reported that pay increases had been significantly higher for workers with skills in particularly short supply, such as HGV drivers, while the use of one-off bonuses to retain staff had become more widespread

XPERTHR – REPORTED IN PERSONNEL TODAY (SEPTEMBER 2021)

The median basic pay award in the three months to the end of August 2021 was 2%, compared to nil just over a year ago when employers were grappling with the economic fallout from the pandemic.

In the 12 months to the end of August, pay settlements in the private sector were worth 1.6% on average – just a small increase on the 1.5% median recorded in the year ending July 2021, but 0.4 percentage points below the figure recorded for the year to the end of August 2020.

Pay awards in the public sector settled at 2% in the year ending August 2021, down from 2.5% the prior year.

XpertHR's analysis is based on the details of 102 settlements covering more than 1.2 million employees.

"It's been a turbulent time for pay setters, with last year employers postponing April 2020 pay reviews until later in the year – and in many cases then abandoning any increase altogether," said XpertHR pay and benefits editor Sheila Attwood.

"Now, pay freezes are becoming much less common in the pay scene but are still evident, as shown in the data. Pay rises never fully recovered last year, but after a slow start at the beginning of this year, levels are now holding up."

Some 6.9% of settlements effective in the three months to the end of August resulted in a pay freeze, close to the long-run average of around 5% of pay awards in any given year.

LABOUR RESEARCH DEPARTMENT (OCTOBER 2021)

The median standard increase for October 2020-September 2021 was 2.0% (1.0% in the public sector) - the median increase on the lowest pay rate was also 2.0%. Three-quarters of these pay settlements were first stage/unstaged.

The median standard increase for the three months from July 2021-September 2021 was 2.0% - the median increase on the lowest pay rate was higher at 2.2%.

PAYDATA PAY DATABASE (OCTOBER 2021)

Paydata's pay database shows a median pay review of 2.0 per cent for the 12 months to October, with an interquartile range of between 1.0 and 2.5 per cent. The most common pay award remains two per cent. 10 per cent of organisations have said they have frozen pay in the last 12 months.

Pay Settlements - Predictive

CIPD LABOUR MARKET OUTLOOK (SUMMER 2021)

Over four-fifths (81%) of employers are planning a pay review in the next 12 months (until June 2022). Among these employers, a third (33%) expect pay to increase, which is significantly lower than spring 2021 (40%). Twelve per cent expect a pay freeze and just 1% expect a decrease. There continue to be high levels of uncertainty, however, with the largest category of response at just under two-fifths (37%) reporting it is hard to tell and will depend on organisational performance.

Just over two-fifths (41%) of voluntary sector employers are anticipating an increase this quarter. Meanwhile, 32% in the private sector and 33% in the public sector are expecting an increase. The expected median basic pay settlement is 2%, which is consistent with last quarter. However, within the three broad sectors, the private sector has risen to 2.2% from 2% last quarter, while public sector rises to 1.5% (from 0.9%) and voluntary to 2% (from 1.6%).

BANK OF ENGLAND MONETARY POLICY REPORT (AUGUST 2021)

[…] there were signs of upward pay pressures emerging more broadly. A number of contacts said they were reviewing pay structures or giving individual pay settlements or bonuses. Some said that competition for experienced professionals was leading to upward pressure on salary packages, and offers of more flexible working conditions.

INCOMES DATA RESEARCH, 'PAY PLANNING FOR 2022' REPORT (SEPTEMBER 2021)

Looking ahead, the outlook for pay awards in 2022 looks brighter from employees' point of view with half of respondents anticipating that the level of pay rise will be higher next year than in 2021 and 43% predicting the level will stay the same. Based on the latest forecasts for inflation, this could result in a main range for pay increases of between 3% and 6%. If this materialises, this will represent a departure from recent pay-setting behaviour, when outcomes were mostly in a lower and narrower range of 2% to 3%.

Zoe Woolacott, Incomes Data Research (IDR) says: "Strengthening wage pressures are likely to result in higher pay rises for many staff in 2022 as organisations endeavour to return to business as usual in the aftermath of the pandemic, [...]. And with increased focus on the relationship between pay and the cost of living, some workers could stand to receive increases in a range of 3% to 6%, higher than seen for many years."

PAYDATA UK REWARD MANAGEMENT SURVEY (AUTUMN 2021)

Every year we capture participants' expectations for future pay review budgets. The survey is still open at the time of writing, but preliminary analysis suggests the median pay budget for 2021 was 2.0 per cent, with an interquartile range of between 1.0 and 2.5 per cent. Initial results indicate that respondents will increase levels of pay for 2022, with a median of 2.5 per cent and an interquartile range of between 2.0 and 3.0 per cent. Pay freezes look to become less prevalent dropping from a reported 10 per cent in 2021, to just two per cent for 2022.

If you have not yet taken part in this free survey please do so by clicking the following here UK Reward Management Survey, Autumn 2021

> **"Looking ahead, the outlook for pay awards in 2022 looks brighter from employees' point of view with half of respondents anticipating that the level of pay rise will be higher next year than in 2021."**
>
> **INCOMES DATA RESEARCH, 'PAY PLANNING FOR 2022' REPORT**
> September 2021

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PAYstats at a glance

Our round-up of key statistics, covering inflation, employment and average earnings.

Consumer Price Index	CPIH ^	Retail Price Index ^^
3.1%	**2.9%**	**4.9%**
September 2021	September 2021	September 2021

Employment

32.4m
employed, down 0.2% on last year.

99,000
redundancies, down 56.7% on last year.

1.1m
vacancies, up 122.4% on last year.

1.51m
unemployed, down 2.2% on last year.

5.0%
change in whole economy average earnings, excluding bonuses, for the 12 months to August 2021, down 0.9% on last month.

5.6%
change in whole economy average earnings, including bonuses for the 12 months to August 2021, down 1.6% on last month.

Notes: ^ Consumer Prices Index including owner occupiers' housing costs (CPIH) was re-designated as a National Statistic on 31 July 2017. ^^ RPI has lost its designation as a National Statistic but is still used for some indexing purposes.

Data source: Adapted from data from the Office for National Statistics licensed under the Open Government Licence v.1.0. Please note the specific definitions for the measures above vary.

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PAYstats in detail

EMPLOYMENT (seasonally adjusted, change calculated for last 12 months)

	Jobs *		Vacancies		Redundancies		Unemployment	
Reference Period	Jun-Aug 2021		Jul-Sep 2021		Jun-Aug 2021		Jun-Aug 2021	
	000's	Change	000's	Change	000's	Change	000's	Change
All UK	32,416	-0.2%	1,102	122.4%	99	-56.7%	1,510	-2.2%
Manufacturing	2,537	-3.4%	83	122.8%				
Electricity & gas supply	145	-0.7%	6	72.7%				
Water, sewerage & waste	219	4.4%	7	146.7%				
Construction	2,290	-1.5%	43	94.6%				
Wholesale, retail & motor repair	4,823	-3.6%	143	136.1%				
Info & communications	1,409	-5.0%	64	188.7%				
Financial & insurance	1,124	-2.4%	43	128.9%				
Real estate	647	0.7%	16	118.9%				
Prof. scientific & technical	3,217	2.2%	106	123.7%				
Administrative & support	2,922	2.6%	83	141.3%				
Public admin, defence, social security	1,614	3.5%	29	48.7%				
Education	2,915	-1.3%	60	73.6%				
Health & social work	4,489	1.5%	172	50.9%				
Other services	904	-5.8%	28	252.5%				

AVERAGE EARNINGS (seasonally adjusted)

	Excluding bonuses		Including bonuses	
August 2021	Change from 12 months ago	% point change since last month	Change from 12 months ago	% point change since last month
Whole economy	5.0%	-0.9%	5.6%	-1.6%
Private	5.6%	-1.1%	6.3%	-2.0%
Public	2.7%	-0.1%	2.8%	-0.1%
Services	5.3%	-0.9%	6.0%	-1.7%
Finance & business services	7.8%	-2.0%	8.6%	-3.5%
Public sector exc. Financial services	2.8%	-0.1%	2.8%	-0.1%
Manufacturing	2.9%	-1.0%	3.0%	-3.0%
Construction	5.9%	-1.8%	7.3%	-0.4%
Wholesale, retail, hotels & restaurants	4.2%	-1.4%	4.9%	-2.6%

Notes: * Sector breakdown as at June 2021

Current Rates

NATIONAL MINIMUM WAGE (NMW)

For more information: www.gov.uk

Workers 21-22 years old: Workers 18-20 years old: Workers 16-17 years old:	£8.36 £6.56 £4.62
Accommodation offset – maximum per day that can be offset against the NMW where employer provides accommodation.	£8.36
Apprentice minimum wage rate for: - apprentices under 19 years old - apprentices aged 19 and over, but in the first year of their apprenticeship	£4.30

NATIONAL LIVING WAGE

For more information: www.gov.uk

The compulsory National Living Wage (NLW) was introduced in April 2016 and was extended to include 23 and 24 year olds as of 1 April 2021.	£8.91

LIVING WAGE

For more information: www.livingwage.org.uk

The Living Wage is set independently and calculated according to the basic cost of living in the UK.

- UK hourly rate:	£9.50
- London hourly rate:	£10.85

STATUTORY MATERNITY PAY

For more information: www.gov.uk

Statutory Maternity Pay is paid for up to 39 weeks:
- the first 6 weeks: 90 per cent of average weekly earnings (AWE) before tax
- the remaining 33 weeks: £151.97 or 90 per cent of AWE (if lower)

Statutory Paternity Pay:
- 1 or 2 weeks consecutive leave: £151.97 or 90 per cent of AWE (if lower)

Statutory Adoption Pay is paid for up to 39 weeks:
- the first 6 weeks: 90 per cent of AWE before tax
- the remaining 33 weeks: £151.97 or 90 per cent of AWE (if lower)

STATUTORY SICK PAY

For more information: www.livingwage.org.uk

Standard weekly rate	£96.35
Maximum period	28 weeks in any 3 years

STATUTORY REDUNDANCY PAY

For more information: www.gov.uk

Statutory redundancy pay rates are based on age and length of employment:
- 1.5 weeks' pay for each year of employment after their 41st birthday
- 1 week's pay for each year of employment after their 22nd birthday
- 0.5 week's pay for each year of employment up to their 22nd birthday

Length of service is capped at 20 years.

Calculation of age and service is counted back from the date of dismissal.

For redundancies made on or after 6 April 2020, the weekly pay is capped at £538 and the maximum statutory redundancy pay is £16,140. If redundancy was made before 6 April 2020, these amounts will be lower.

WORKING TIME

For more information: www.gov.uk

Basic entitlement for workers aged 18 and over:
- 5.6 weeks holiday a year
- Work no more than 6 days out of every 7, or 12 days out of every 14
- A 20 minute break if more than 6 hours worked continuously
- Work a maximum 48-hour average week

Workers aged 16 and 17 are entitled to:
- Take at least 30 minutes break if more than 4.5 hours worked continuously
- Work no more than 8 hours a day and 40 hours a week
- Have 12 hours rest between working days and 2 days off every week
- 5.6 weeks holiday a year

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How can we help?

Committed to making lives better at work, Paydata has over 20 years' experience in helping HR professionals manage their pay and reward practices.

We provide the expertise, insights and tools to help you align your reward management practices with your overall business strategy. We will work closely with you to unlock the full potential of your employees. By understanding your business challenges and your culture, we can identify exactly what it takes to attract and retain your key people and achieve:

- Happier, more motivated staff
- Fair, equitable organisational policies
- Improved returns for your payroll spend

Pay Benchmarking

Reward Strategy and Design

Job Evaluation

Pay Review

Pay Structure

Equal Pay Audits

Research and Insights

To discover more and to discuss your requirements, please contact us today on **+44 (0)1733 391 377** or via **info@paydata.co.uk**

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