Paydata
making lives better at work

Paydata Business Insight
National Statistics

April 2022: PAYstats Pay and Labour Market Statistics

Quarterly Edition

April 2022: PAYstats Pay and Labour Market Statistics

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 7.0% in the 12 months to March 2022, up from 6.2% in February.
- The latest Labour Force Survey (LFS) estimates for December 2021 to February 2022 show the employment rate is unchanged on the quarter, while the unemployment rate decreased.
- The number of permanent roles continues to rise as does the number of fully remote jobs being advertised in industries which have previously been office based, such as contact centres. […] data reveals that 14% of employers expect their employees to be remote all the time, which facilitates access to a wider talent pool across of the UK.
- Growth in average total pay (including bonuses) was 5.4% and growth in regular pay (excluding bonuses) was 4.0% in December 2021 to February 2022.
- Reflecting the tight labour market, pay settlements continued to rise and companies reported significant upward pay pressure to recruit and retain skills in short supply
- The median expected basic pay increase stands at 3% in total, and 3% for the private and voluntary sectors.

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

BANK OF ENGLAND MONETARY POLICY REPORT (FEBRUARY 2022)
Twelve-month CPI inflation rose from 5.1% in November to 5.4% in December, almost 1 percentage point higher than expected at the time of the November Report. Inflation is expected to increase further in coming months, to close to 6% in February and March, before peaking at around 7.25% in April. This projected peak is around 2 percentage points higher than expected in the November Report. The projected overshoot of inflation relative to the 2% target mainly reflects global energy and tradable goods prices. The further rise in energy futures prices meant that Ofgem's utility price caps were expected to be substantially higher at the reset in April 2022. Core goods CPI inflation is also expected to rise further, due to the impact of global bottlenecks on tradable goods prices.

In the February Report central projection, upward pressures on CPI inflation are expected to dissipate over time, as global energy prices are assumed to remain constant after six months, and as global bottlenecks ease and tradable goods prices fall back a little. Underlying wage growth is also projected to ease from 2023, as the labour market loosens gradually and inflation declines. Conditioned on the rising market-implied path for Bank Rate and the MPC's current forecasting convention for future energy prices, CPI inflation is projected to fall back to a little above the 2% target in two years' time and to below the target by a greater margin in three years.

In an alternative scenario that is conditioned on energy prices following forward curves throughout the forecast period and as set out in the February Report, excess supply is around 0.5 percentage point lower in the medium term than in the MPC's central projection, and CPI inflation is around 0.75 percentage point below the 2% target in two and three years' time.

BANK OF ENGLAND MPC MINUTES (MARCH 2022)
Twelve-month CPI inflation rose from 5.4% in December to 5.5% in January, which triggered the exchange of open letters between the Governor and the Chancellor of the Exchequer that is being published alongside this monetary policy announcement. Inflation is expected to increase further in coming months, to around 8% in 2022 Q2, and perhaps even higher later this year. The projected overshoot of inflation relative to the 2% target to an increasing extent reflects global energy prices, with some further material contribution from tradable goods prices. Service price inflation has also picked up, although to a lesser extent than other components, with core services prices returning to their pre-Covid trend. Underlying nominal earnings growth is estimated to have remained above pre-pandemic rates, and is still expected to strengthen over the coming year.

If sustained, the latest rise in energy futures prices means that Ofgem's utility price caps could again be substantially higher when they are reset in October 2022. This could temporarily push CPI inflation around the end of this year above the level projected for April, which was previously expected to be the peak. Further out, inflation is expected to fall back materially, as energy prices stop rising and as the squeeze on real incomes and demand puts significant downward pressure on domestically generated inflation. That judgement also reflects that monetary policy will act to ensure that longer-term inflation expectations are well anchored around the 2% target.

"Conditioned on the rising market-implied path for Bank Rate and the MPC's current forecasting convention for future energy prices, CPI inflation is projected to fall back to a little above the 2% target in two years' time and to below the target by a greater margin in three years."

BANK OF ENGLAND MONETARY POLICY REPORT
February 2022

OFFICE FOR NATIONAL STATISTICS (MARCH 2022)

The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 6.2% in the 12 months to March 2022, up from 5.5% in February. The largest upward contributions to the annual CPIH inflation rate in March 2022 came from housing and household services (1.49 percentage points, principally from electricity, gas and other fuels, and owner occupiers' housing costs) and transport (1.47 percentage points, principally from motor fuels and secondhand cars).

On a monthly basis, CPIH rose by 0.9% in March 2022, compared with a rise of 0.2% in March 2021. The upward contributions to the change in the CPIH 12-month inflation rate between February and March 2022 came from many categories, with the largest from motor fuels, with no large offsetting downward contributions.

The Consumer Prices Index (CPI) rose by 7.0% in the 12 months to March 2022, up from 6.2% in February. On a monthly basis, CPI rose by 1.1% in March 2022, compared with a rise of 0.3% in March 2021.

> **"The largest upward contributions to the annual CPIH inflation rate in March 2022 came from housing and household services (principally from electricity, gas and other fuels, and owner occupiers' housing costs) and transport."**
>
> **OFFICE FOR NATIONAL STATISTICS**
> March 2022

Employment

CIPD LABOUR MARKET OUTLOOK (WINTER 2021-22)

The net employment balance – which measures the difference between employers expecting to increase staff levels in the next three months and those expecting to decrease staff levels – remained steady at +37 after reaching +38 last quarter. The positive net employment balance is being driven largely by employers looking to hire staff, with very few looking to decrease total staff levels. Employers are focusing on retention to achieve the size of workforce needed to meet demand.

BANK OF ENGLAND MONETARY POLICY REPORT (FEBRUARY 2022)

UK unemployment has continued to fall since the last Report, despite the closure of the Government's furlough scheme in September. Unemployment fell to 4.1% in the three months to November, 0.4 percentage points lower than expected in the November Report. Demand for workers remains robust, with vacancies at a record high in the three months to December. Bank staff expect unemployment to fall a little further in the very near term.

BANK OF ENGLAND MPC MINUTES (MARCH 2022)

The Labour Force Survey (LFS) unemployment rate had fallen to 3.9% in the three months to January, as had been expected at the time of the February Report. The LFS employment rate had been unchanged, with the inactivity rate rising slightly. Both developments had been broadly consistent with expectations at the time of the February Report. Her Majesty's Revenue and Customs (HMRC) employee payrolls had risen strongly, by a further 275,000 in February, although these initial estimates had tended to be revised down somewhat subsequently.

Indicators of labour demand had remained strong. The stock of vacancies in the three months to February had risen to 1.3 million, supplanting the record high set in the preceding three-month period. [...] The vacancy-to-unemployment ratio, a measure of labour market tightness, had remained above pre-Covid levels and had reached a new record high level. Intelligence from the Bank's Agents suggested that elevated recruitment difficulties had persisted across most sectors and skill levels. The Agents' contacts had reported high rates of job churn and vacancies, with little improvement in labour availability expected over the next year.

OFFICE FOR NATIONAL STATISTICS (APRIL 2022)

The latest Labour Force Survey estimates for December 2021 to February 2022 show the employment rate is unchanged on the quarter, while the unemployment rate decreased. Over the same period, the economic inactivity rate has increased slightly.

The UK employment rate was largely unchanged on the quarter at 75.5%, but still below pre-coronavirus (COVID19) pandemic levels. The number of full-time employees increased on the quarter; however this was offset by a decrease in part-time employees. While the number of self-employed workers is still well below pre-coronavirus pandemic levels, it has increased slightly in the recent quarter. Our most timely estimate of payrolled employees for March 2022 shows a small monthly increase (up 35,000 on the revised February 2022) to a record 29.6 million.

The unemployment rate for December 2021 to February 2022 decreased by 0.2 percentage points on the quarter to 3.8%. Those unemployed for up to 12 months decreased during the latest period to a record low. Meanwhile, those unemployed for over 12 months continued to decrease from the peak in July to September 2021.

+37

this quarter's net employment balance

The positive net employment balance is being **driven largely by employers looking to hire staff**, with very few looking to decrease total staff levels.

The number of job vacancies in January to March 2022 rose to a new record of 1,288,000. However, the rate of growth in vacancies continued to slow down. Over the quarter the number of vacancies increased by 50,200 with the largest increase in human health and social work.

MANPOWER EMPLOYMENT OUTLOOK SURVEY (Q2 2022)

In the UK, +31% of employers plan to add to their workforce – down by two percentage points on Q1, but up by 30 percentage points year-on-year. Other Services show the most positive Outlook this quarter with +43%. Digital roles continue to drive demand as well with IT, Technology, Telecoms, Communications and Media reporting the second strongest outlook, followed by Primary Production, Banking, Finance, Insurance and Real Estate, and Restaurants and Hotels. The weakest hiring intentions were found in Not for Profit and Wholesale and Retail Trade, although still showing a positive Outlook for these sectors.

All regions remain positive with employers in the East of the UK the most optimistic. While West Midlands is experiencing the lowest forecasted hiring intentions, however still showing positive hiring growth. London employers anticipate a decline in Outlook, bringing the Capital in line with the rest of the UK.

The number of permanent roles continues to rise as does the number of fully remote jobs being advertised in industries which have previously been office based, such as contact centres. ManpowerGroup data reveals that 14% of employers expect their employees to be remote all the time, which facilitates access to a wider talent pool across of the UK.

Commenting, Chris Gray, Director at ManpowerGroup UK said, "These near-record hiring plans reveal a flattening of the curve which reflects where the market is right now. It continues to be a candidate-led market, however if you're looking to fill vacancies, it is a real struggle to find the right talent."

KPMG / REC REPORT ON JOBS (MARCH 2022 PRESS RELEASE)

UK recruitment consultancies recorded a further robust increase in hiring activity during February amid reports of rising workloads at clients and greater confidence in the outlook. That said, permanent placement growth eased to an 11-month low and temp billings also expanded at a softer pace, with recruiters frequently stating that candidate shortages had limited their ability to fill roles.

The total availability of candidates fell at the sharpest rate since last November in February, driven by steeper falls in both permanent and temp staff supply. Lower candidate numbers were generally attributed to ongoing tight labour market conditions and robust demand for staff. There were also reports that the pool of candidates was limited due to lingering pandemic-related uncertainty and fewer foreign applicants. Overall vacancies expanded at the quickest rate for three months in February. This marked the first acceleration of growth since last July, and was driven by sharper rises in demand for both permanent and temporary staff.

Commenting on the latest survey results, Claire Warnes, Head of Education, Skills and Productivity at KPMG UK, said: "While recruitment activity has slowed slightly, employers across all sectors continued to hire energetically during February, as their workloads increased and vacancy growth accelerated for the first time since last summer. But the lack of suitable candidates continued and fuelled yet further increases in starting salaries. [...] A sustained focus on skills shortages is required if all sectors of the economy are to leave winter behind and head into spring with confidence in the jobs market."

"While recruitment activity has slowed slightly, employers across all sectors continued to hire energetically during February, as their workloads increased and vacancy growth accelerated for the first time since last summer. But the lack of suitable candidates continued and fuelled yet further increases in starting salaries."

CLAIRE WARNES
Head of Education, Skills and Productivity
KPMG UK

Earnings

Recruiters continued to see intense competition for workers in February, leading to further steep increases in rates of starting pay for both permanent and short-term staff."

KPMG / REC REPORT ON JOBS
March 2022

BANK OF ENGLAND MONETARY POLICY REPORT (FEBRUARY 2022)

Firms are adjusting wages and prices in the context of a sharp rise in global energy and tradable goods prices, and a tightening domestic labour market. Bank staff estimate that annual growth in underlying pay remains somewhat above its rate prior to the pandemic, at around 4% to 4.5%. This reflects a tightening in the labour market as the economy has recovered. It may also reflect a pickup in inflation and inflation expectations, and high rates of job churn. Prices are nonetheless rising faster than pay, such that households' real incomes are being squeezed. Underlying wage growth is expected to rise to just under 5% over the next year – higher than projected in November – due to a tighter than expected labour market and higher rates of inflation. Wage growth is expected to fall to around 2.5% over the medium term as the labour market loosens and inflation falls back.

BANK OF ENGLAND MPC MINUTES (MARCH 2022)

Private-sector regular Average Weekly Earnings (AWE) growth had risen to 4.1% in the three months to January on a year earlier, stronger than had been expected in the February Report. Bank staff estimated that workforce compositional effects had started to drag on headline pay growth recently. Adjusted for the mechanical effects of the changes in workforce composition and the Coronavirus Job Retention Scheme, Bank staff estimated that underlying private sector regular pay growth had remained at around 4 to 4.5%, above prepandemic rates of around 3 to 3.5%. The HMRC median of pay growth in February had been 3.7%, also above pre-pandemic rates. Looking ahead, the latest intelligence from the Bank's Agents continued to point to higher pay settlements than a year ago, consistent with the Agents' recent annual pay survey.

KPMG / REC REPORT ON JOBS (MARCH 2022 PRESS RELEASE)

Recruiters continued to see intense competition for workers in February, leading to further steep increases in rates of starting pay for both permanent and short-term staff. Notably, permanent starters' salaries rose at the second-sharpest pace since data collection began in October 1997.

ONS AVERAGE WEEKLY EARNINGS (APRIL 2022)

Growth in average total pay (including bonuses) was 5.4% and growth in regular pay (excluding bonuses) was 4.0% in December 2021 to February 2022. In real terms (adjusted for inflation), growth in total pay was 0.4% and regular pay fell on the year at negative 1.0%; strong bonus payments over the past six months have kept recent real total pay growth positive. Previous months' strong growth rates were affected upwards by base and compositional effects. These initial temporary factors have worked their way out. However, we are now comparing the latest period with a period where certain sectors had increasing numbers of employees on furlough because of the winter 2020 to 2021 lockdown. Therefore, a small amount of base effect will be present for these sectors. This will not be to the degree we saw when comparing periods at the start of the coronavirus pandemic.

Pay Settlements - Historic

XPERTHR (MARCH 2022 PRESS RELEASE)

The latest data from XpertHR shows that the median basic pay increase in the three months to end of February 2022 is worth 3%. XpertHR also finds:

- Interquartile range remains wide. The lower quartile [...] is at 2.5% and the upper quartile [...] is at 4.8%.
- Majority of pay awards at a higher level. Among a matched sample of pay awards, the majority (84.7%) of employee groups received a higher award than in the previous year. Just over one in 10 (13%) received a pay award at the same level and a handful (2.3%) were lower than the previous year.
- Pay freezes few and far between. Just eight pay deals among our current sample (3.5%) resulted in a nil increase for employees.

IDR – REPORTED IN THE HR DIRECTOR (MARCH 2022)

Around one in four employees received pay rises worth 4.0% or more in the three months to January 2022, according to the latest monitoring figures from Incomes Data Research (IDR). An analysis of 58 new pay deals implemented between 1 November 2021 and 31 January 2022 also revealed that the median pay award across the economy has risen to 3.0%, having been at 2.0% for most of 2021.

A rising proportion of higher-end awards, worth 3% or more, combined with a fall in the number of pay freezes and lower rises, have contributed to the elevated median. The upper quartile, the point which a quarter of increases are at or above, has risen to 4.0%. The sample contains no public sector awards, since most of these are due in April or later, and therefore the results reflect the current picture in the private sector.

BANK OF ENGLAND MONETARY POLICY REPORT (FEBRUARY 2022)

Reflecting the tight labour market, pay settlements continued to rise and companies reported significant upward pay pressure to recruit and retain skills in short supply – for example in construction, hospitality, IT, and some professional services. Companies in these sectors commonly reported offering ad hoc bonuses to retain staff. A survey conducted by the Agents showed that pay settlements were higher than expected in 2021 and were anticipated to increase further in 2022.

LABOUR RESEARCH DEPARTMENT (MARCH 2022)

The median standard increase for March 2021 - February 2022 was 2.0% (1.0% in the public sector) - the median increase on the lowest pay rate was higher at 2.25%. Three-quarters of these pay settlements were first stage/unstaged. The median for the three months from December 2021-February 2022 was 3.3% for the standard increase - the increase on the lowest pay rate was higher at 4.0%.

PAYDATA PAY DATABASE (APRIL 2022)

Paydata's pay database shows a median pay review of 2.45 per cent for the 12 months to April, with an interquartile range of between 2.0 and 3.0 per cent. The most common pay award was two per cent. 5.2 per cent of organisations have said they have frozen pay in the last 12 months.

Pay Settlements

3.0%
XpertHR

3.0%
Incomes Data Research

2.0%
Labour Research Department

2.45%
Paydata

Pay Settlements - Predictive

CIPD LABOUR MARKET OUTLOOK (WINTER 2021-22)

Of those employers planning a pay review, an increase is the most popular option at 40%. However, just under a third (31%) think it is hard to tell, and around a fifth (22%) do not know. Seven per cent expect a pay freeze and only 1% expect a decrease.

The median expected basic pay increase stands at 3% in total, and 3% for the private and voluntary sectors. Only in the public sector is relative pay restraint expected. Although all these awards are below inflation, which the Bank of England expects to peak at over 7% in 2022, these pay awards are still the highest we have seen in the current Labour Market Outlook series, which goes back to 2012.

BANK OF ENGLAND MONETARY POLICY REPORT (FEBRUARY 2022)

In the MPC's central projection, headline average pay growth remains around 4% in 2022 as compositional effects continue to drag on the headline measure, while underlying wage growth picks up to just under 5%. That rise is consistent with a recent pay survey by the Bank's Agents covering around 400 firms. In that survey, respondents expected average pay settlements to pick up to 4.8% in 2022. Higher pay settlements were expected across small, medium and large firms, and across all major sectors in the economy.

XPERTHR (MARCH 2022 PRESS RELEASE)

[...] pay rises are forecast for nine in 10 employees (89.8%) through 2022, meanwhile pay freezes are predicted to drop to 4.7% – compared to 18.5% the previous year. At the time of the survey the outcome for the remainder (5.5%) is still to be determined.

XpertHR survey respondents expect:

- Median pay award of 3% over the course of 2022.
- Pay settlements to be fairly widely spread in the range, with the middle half spanning two percentage points from 2.5% at the lower quartile to 4.5% at the upper quartile.
- 40% of pay awards to be worth 4% or more.

Sheila Attwood, XpertHR pay and benefits editor, said:

"The recent increase in XpertHR's headline pay award reflects employers trying to keep pace with rising inflation and contending with labour market shortages. But what would have been a reasonably high pay increase a year ago, global pandemic aside, now feels inadequate. With the latest predictions from the Bank of England suggesting that consumer prices index inflation could reach around 7% in spring 2022, a 3% pay rise equates to a notable real terms pay cut, as the gap between wages and the cost of living continues to widen.

"To mitigate the issue, some employers plan on offering one-off payments on top of the annual pay review and others are considering a supplementary non-consolidated payment to be paid quarterly for the rest of 2022 directly in response to the cost-of-living increases."

"To mitigate the issue, some employers plan on offering one-off payments on top of the annual pay review and others are considering a supplementary non-consolidated payment to be paid quarterly for the rest of 2022 directly in response to the cost-of-living increases."

SHEILA ATTWOOD
Pay and Benefits Editor
XpertHR

IDR – REPORTED IN THE HR DIRECTOR (MARCH 2022)

The picture of pay in 2022 offers a brighter outlook from employees' point of view when compared to 2021. Over three-quarters of employers anticipate awarding a pay rise worth 3% or more in 2022, according to a separate IDR poll of 66 mostly larger private sector employers, with nearly 23% of participants predicting that their main pay rise will be worth at least 5.0%.

The results of the poll provided insights on pay intentions for 2022 and more than four-fifths (83%) of respondents reported that they anticipate awarding a pay rise that will be higher this year when compared to 2021. Of the remaining participants, 14% said that the level of pay rise in 2022 is likely to be the same as the level of increase awarded in 2021 and just 4% of employers in the sample expect that the pay award will be lower in 2022 when compared to last year's outcome.

The results from the poll echo the current findings from IDR's monitoring of pay trends. Higher-end awards worth 3.0% or more represent over half (55%) of deals effective in 2022 so far – up from around a fifth of awards in 2021 when the overall median was 2.0%.

"A tighter labour market in many if not most areas and the rising level of inflation are key factors influencing pay decisions in 2022 and may yet push the median above 3.0%", commented Zoe Woolacott from IDR..

PAYDATA UK REWARD MANAGEMENT SURVEY (SPRING 2022)

Every year we capture participants' expectations for future pay review budgets. Provisional results from the latest running of the survey show that median pay budget expectations for 2022 sit at 3.00 per cent, with an interquartile range of between 2.50 and 4.00 per cent. However, the most common expected pay award remains 3.00 per cent. Expectations of a pay freeze are back to pre-pandemic levels, at just 1 per cent of participants.

If you have not yet taken part in this free survey please do so by clicking the following link: UK Reward Management Survey Spring 2022

> **"Provisional results from the latest running of the survey show that median pay budget expectations for 2022 sit at 3.00 per cent, with an interquartile range of between 2.50 and 4.00 per cent. However, the most common expected pay award remains 3.00 per cent."**
>
> **PAYDATA UK REWARD MANAGEMENT SURVEY**
> Spring 2022

PAYstats at a glance

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

Consumer Price Index	CPIH ^	Retail Price Index ^^
7.0% March 2022	6.2% March 2022	9.0% March 2022

Employment

32.5m employed, up 1.0% on last year.

75,000 redundancies, down 64.2% on last year.

1.29m vacancies, up 105.8% on last year.

1.3m unemployed, down 24.0% on last year.

4.1% change in whole economy average earnings, excluding bonuses, for the 12 months to February 2022, down 0.2 percentage points on last month.

5.4% change in whole economy average earnings, including bonuses for the 12 months to February 2022, up 0.4 percentage points 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.

PAYstats in detail

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

	Jobs *		Vacancies		Redundancies		Unemployment	
Reference Period	Dec-Feb 2022		Jan-Mar 2022		Dec-Feb 2022		Dec-Feb 2022	
	000's	Change	000's	Change	000's	Change	000's	Change
All UK	32,485	1.0%	1,288	105.8%	75	-64.2%	1,296	-24.0%
Manufacturing	2,545	-0.4%	94	78.9%				
Electricity & gas supply	137	-6.2%	5	-3.9%				
Water, sewerage & waste	230	3.7%	8	90.2%				
Construction	2,227	3.9%	48	68.5%				
Wholesale, retail & motor repair	4,735	-1.8%	170	124.1%				
Info & communications	1,543	3.3%	73	84.1%				
Financial & insurance	1,083	-4.1%	50	96.0%				
Real estate	613	-4.9%	16	95.0%				
Prof. scientific & technical	3,236	3.1%	131	95.7%				
Administrative & support	3,122	5.6%	88	82.1%				
Public admin, defence, social security	1,620	2.1%	35	8.5%				
Education	2,985	1.1%	73	83.0%				
Health & social work	4,575	1.7%	216	65.1%				
Other services	869	-0.2%	27	138.4%				

AVERAGE EARNINGS (seasonally adjusted)

	Excluding bonuses		Including bonuses	
February 2022	Change from 12 months ago	% point change since last month	Change from 12 months ago	% point change since last month
Whole economy	4.1%	-0.2%	5.4%	0.4%
Private	4.7%	-0.3%	6.4%	0.7%
Public	1.7%	-0.1%	1.3%	-0.7%
Services	4.3%	-0.2%	5.9%	0.5%
Finance & business services	5.6%	0.2%	9.7%	3.4%
Public sector exc. Financial services	1.7%	-0.2%	1.4%	-0.6%
Manufacturing	2.3%	-0.9%	1.7%	-1.6%
Construction	4.3%	0.5%	5.9%	0.9%
Wholesale, retail, hotels & restaurants	5.7%	-1.6%	6.2%	-2.1%

Notes: * Sector breakdown as at December 2021

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Current Rates

NATIONAL MINIMUM WAGE (NMW)

For more information: www.gov.uk

Workers 21-22 years old:	£8.36 (£9.18)
Workers 18-20 years old:	£6.56 (£6.83)
Workers 16-17 years old:	£4.62 (£4.81)
Accommodation offset – maximum per day that can be offset against the NMW where employer provides accommodation.	£8.36 (£8.70)
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 (£4.81)

NATIONAL LIVING WAGE

For more information: www.gov.uk

The compulsory National Living Wage (NLW) was introduced in April 2016. The NLW effectively increases the National Minimum Wage for workers aged 23 and over.	£8.91 (£9.50)

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:	£9.90
- London hourly rate:	£11.05

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 (£156.66) or 90 per cent of AWE (if lower)

Statutory Paternity Pay:
- 1 or 2 weeks consecutive leave: £151.97 (£156.66) 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 (£156.66) or 90 per cent of AWE (if lower)

STATUTORY SICK PAY

For more information: www.livingwage.org.uk

Standard weekly rate	£96.35 (£99.35)
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 2021, the weekly pay is capped at £544 and the maximum statutory redundancy pay is £16,320. If redundancy was made before 6 April 2021, 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

* Figures in brackets effective from April 2022

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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