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Paydata Business Insight
National Statistics

October 2022: PAYstats Pay and Labour Market Statistics

Quarterly Edition

October 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 10.1% in the 12 months to September 2022, up from 9.9% in August.
- The UK employment rate for June to August 2022 was 75.5%, 0.3 percentage points lower than the previous quarter (March to May 2022), which had a notably higher employment rate than other periods.
- The rising cost of living and competition for scarce workers drove further marked increases in starting pay for both permanent and short-term workers.
- Growth in average total pay (including bonuses) was 6.0% and growth in regular pay (excluding bonuses) was 5.4% among employees in June to August 2022.
- Underlying wage growth is projected to pick up further in the next few months. That reflects the tightening in the labour market and further upward pressure from the rise in CPI inflation and the cost of living.

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

> “The MPC will not hesitate to change interest rates by as much as needed to return inflation to the 2% target sustainably in the medium term, in line with its remit.”
>
> **STATEMENT FROM THE GOVERNOR OF THE BANK OF ENGLAND**
> September 2022

BANK OF ENGLAND MONETARY POLICY REPORT (AUGUST 2022)

Inflationary pressures in the United Kingdom and the rest of Europe have intensified significantly since the May Monetary Policy Report and the MPC’s previous meeting. That largely reflects a near doubling in wholesale gas prices since May, owing to Russia’s restriction of gas supplies to Europe and the risk of further curbs. As this feeds through to retail energy prices, it will exacerbate the fall in real incomes for UK households and further increase UK CPI inflation in the near term. CPI inflation is expected to rise more than forecast in the May Report, from 9.4% in June to just over 13% in 2022 Q4, and to remain at very elevated levels throughout much of 2023, before falling to the 2% target two years ahead.

BANK OF ENGLAND MPC MINUTES (SEPTEMBER 2022)

Twelve-month CPI inflation had fallen slightly to 9.9% in August, in line with expectations at the time of the August Monetary Policy Report. This outturn had triggered the exchange of letters between the Governor and the Chancellor of the Exchequer that was published alongside these minutes. Core CPI inflation, excluding food, beverages and tobacco and energy, had risen slightly to 6.3%, also in line with expectations at the time of the August Report. Core goods inflation had been stable at 6.6%, below expectations at the time of the August Report, but services inflation had risen to 5.9% in August, the second month in a row of upside news. Annual services inflation had remained high across a broad range of sectors.

STATEMENT FROM THE GOVERNOR OF THE BANK OF ENGLAND (26 SEPTEMBER 2022)

The role of monetary policy is to ensure that demand does not get ahead of supply in a way that leads to more inflation over the medium term. […] the MPC […] will make a full assessment at its next scheduled meeting of the impact on demand and inflation from the Government’s announcements, and the fall in sterling, and act accordingly. The MPC will not hesitate to change interest rates by as much as needed to return inflation to the 2% target sustainably in the medium term, in line with its remit.

OFFICE FOR NATIONAL STATISTICS (SEPTEMBER 2022)

The Consumer Prices Index including owner occupiers’ housing costs (CPIH) rose by 8.8% in the 12 months to September 2022, up from 8.6% in August and returning to July’s recent high. The largest upward contributions to the annual CPIH inflation rate in September 2022 came from housing and household services (principally from electricity, gas and other fuels, and owner occupiers’ housing costs), food and non-alcoholic beverages, and transport (principally motor fuels). On a monthly basis, CPIH rose by 0.4% in September 2022, compared with a rise of 0.3% in September 2021.

The Consumer Prices Index (CPI) rose by 10.1% in the 12 months to September 2022, up from 9.9% in August and returning to July’s recent high. On a monthly basis, CPI rose by 0.5% in September 2022, compared with a rise of 0.3% in September 2021.

Rising food prices made the largest upward contribution to the change in both the CPIH and CPI annual inflation rates between August and September 2022. The continued fall in the price of motor fuels made the largest, partially offsetting, downward contribution to the change in the rates.

Employment

+34

this quarter's net employment balance

47%

have hard-to-fill vacancies, most commonly in education, transport and storage, and the voluntary sector.

CIPD LABOUR MARKET OUTLOOK (SUMMER 2022)

The net employment balance – which measures the difference between employers expecting to increase staff levels and those expecting to decrease staff levels in the next three months – remained high at +34. This continues to exceed pre-pandemic levels, pointing to strong employment intentions.

47% of employers have hard-to-fill vacancies. These are most common in education (56%), transport and storage (55%), and the voluntary sector (53%). The top response planned by employers to recruitment and retention difficulties is to upskill existing staff (41%), followed by advertising more jobs as being flexible (35%). Raising wages comes in third at 29%.

The proportion of employers planning on making redundancies is below pre-pandemic levels at 13%. Employers' focus on retention and training demonstrates their desire to get more from their existing employers in the face of recruitment challenges.

BANK OF ENGLAND MONETARY POLICY REPORT (AUGUST 2022)

Most indicators suggest that there is currently a margin of excess demand across the economy as a whole. Many surveys suggest above-average levels of capacity utilisation. The labour market is tight, with the unemployment rate of 3.8% in the three months to May. That is an historically low level and below the MPC's assessment of the medium-term equilibrium rate of unemployment of just above 4%. Firms continue to report significant recruitment difficulties and vacancies remain very high. The vacancy to unemployment ratio, a measure of labour market tightness, remains elevated, with the stock of vacancies now broadly equal to the stock of unemployed people.

Given the intensity of recruitment difficulties amid strong labour demand, firms are expected to respond initially to the weakness in demand by using their existing inputs less intensively. So although economic slack begins to emerge in 2022 Q4, the labour market is expected to remain tight over the next year. This is consistent with the Agents' latest employment and pay survey. Unemployment rises from its current level from mid-2023 to 6.25% at the end of the forecast period, given the very weak outlook for demand growth. Economic slack rises to 3.75% of potential GDP.

BANK OF ENGLAND MPC MINUTES (SEPTEMBER 2022)

Regarding the labour market, the Labour Force Survey (LFS) measure of employment growth in the three months to July had slowed to 0.1%, from 0.5% in the three months to June. Both outturns had been weaker than the MPC's expectations at the time of the August Report. The easing in employment growth might have reflected continued recruitment difficulties and perhaps some early signs of weakening labour demand, in particular in the manufacturing sector. In August there had been a small fall in vacancies across the economy as a whole. Contacts of the Bank's Agents had reported that recruitment difficulties might have moderated somewhat recently. Employment surveys had been softening in recent months. However, they remained near their historical averages and were consistent with ongoing positive employment growth.

The LFS unemployment rate had fallen to 3.6% in the three months to July, its lowest level since 1974 and below expectations at the time of the August Report. Since the start of 2022, however, the unemployment rate had remained broadly flat. The June and July releases indicated that inactivity had been significantly higher than expected at the time of the August Report, with a particularly large increase in July. The MPC discussed the surprising strength in inactivity, which had continued to be a key component of the tightness in the labour market. While flows out of inactivity had recently been strong, flows into inactivity had remained high. LFS survey responses indicated that a large proportion of the rise in inactivity was met by a rise in workers aged above 64 or those at working age who did not want a job.

OFFICE FOR NATIONAL STATISTICS (OCTOBER 2022)

The UK employment rate for June to August 2022 was 75.5%, 0.3 percentage points lower than the previous quarter (March to May 2022), which had a notably higher employment rate than other periods. The number of employees decreased on the quarter, while self-employed workers increased. The employment rate is 1.0 percentage points lower than before the pandemic.

The most timely estimate of payrolled employees for September 2022 shows another monthly increase, up 69,000 on the revised August 2022 figures, to a record 29.7 million.

The unemployment rate for June to August 2022 decreased by 0.3 percentage points on the quarter to 3.5%, the lowest rate since December to February 1974. The number of people unemployed for between 6 and 12 months increased on the quarter, while there were decreases for the short-term (up to 6 months) and long-term (over 12 months) unemployed. In June to August 2022, the number of unemployed people per vacancy fell to a record low of 0.9.

The economic inactivity rate increased by 0.6 percentage points to 21.7% in June to August 2022, compared with the previous quarter (March to May 2022), which had a notably lower economic inactivity rate than other periods. This increase in the latest quarter was largely driven by those aged 50 to 64 years and those aged 16 to 24 years. Looking at economic inactivity by reason, the quarterly increase was driven by people inactive because they are long-term sick or because they are students. Numbers of those economically inactive because they are long-term sick increased to a record high.

In July to September 2022, the estimated number of vacancies fell by 46,000 on the quarter to 1,246,000, this is the largest fall on the quarter since June to August 2020. Despite three consecutive quarterly falls, the number of vacancies remain at historically high levels.

MANPOWER EMPLOYMENT OUTLOOK SURVEY (Q4 2022)

Strong hiring optimism continues but cools slightly into the fourth quarter of 2022, according to the latest ManpowerGroup Employment Outlook Survey of more than 40,000 employers across 40 countries and territories. In the UK, +25% of employers plan to add to their workforce – down by eight percentage-points on Q3, and by six percentage-points year-on-year.

Banking and Finance reported the strongest Outlook this quarter (+40%), followed by IT, Tech, Telecoms, Communications and Media (+34%), Primary Production (+33%). Notably, the Outlook for Restaurants and Hotels and Primary Production are two of three that have gained on last quarter, joined by Construction (+28) with all other sectors declining on last quarter. Despite the decline, all sectors remain strong.

“In July to September 2022, the estimated number of vacancies fell by 46,000 on the quarter to 1,246,000, this is the largest fall on the quarter since June to August 2020. Despite three consecutive quarterly falls, the number of vacancies remain at historically high levels.”

OFFICE FOR NATIONAL STATISTICS
October 2022

Employers in Northern Ireland are the most optimistic this quarter with hiring confidence jumping 18 percentage points year-on-year, to +32%. Hiring in London (+28%) and the South East (+17%) has the biggest decline this quarter, with London down -13 percentage points and the South East down -21 percentage-points on last quarter. Scotland (+26) has gained +2 percentage-points since last quarter, while Wales (+17) has declined -10 percentage-points.

"Employers are keen to get people back into the office, however employees still have a lot of bargaining power. Over the last 12 months we have seen employers offer unprecedented benefits, from hefty signing bonuses to fully remote working, in order to attract skilled candidates. However, as demand for new workers cools, candidates are less able to secure these benefits.

"We're seeing a shift from candidates holding all the cards to employers now having the leverage to ask candidates to come into the office – at least some of the time. Existing employees are more likely to have the bargaining power to retain their home working benefits, but new candidates will increasingly see pandemic-era benefit offers in the rear-view mirror," says Chris Gray, Director, ManpowerGroup UK

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

Relatively strong demand for staff and efforts to boost capacity supported a further increase in hiring activity at the end of the third quarter. However, the weaker economic climate and candidate shortages dampened overall growth. Notably, recruiters signalled the slowest increases in permanent staff appointments and temp billings for 19 months, with the former seeing only a mild expansion overall.

Overall vacancy growth softened for the sixth month in a row in September, to mark the slowest rise in demand for staff since February 2021. Weaker increases were signalled for both permanent and temporary vacancies, with the former noting the softer rate of expansion.

Although there were further signs of the downturn in labour supply easing in September, candidate numbers continued to fall sharply overall. Permanent staff availability deteriorated at a quicker pace than that seen for temp workers. A key factor weighing on candidate numbers was a greater hesitancy among people to apply for new roles, driven by fears over the economic outlook. A generally low unemployment rate, skills shortages and Brexit also weighed on candidate availability.

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

"The UK jobs market remained tight in September, with candidate shortages impacting recruiters' abilities to fill jobs. Deepening economic uncertainty has also meant that workers are choosing to stay put in current roles, rather than apply for new roles, leading to a moderation in the overall rate of vacancy growth. Some employers, even those who anticipate that the recession may be short, are taking steps now to contain costs, including hiring freezes. Those employers who continue to invest in their workforce, particularly upskilling, may find they weather the recession better and will be in a stronger position to benefit from the upturn as and when it comes."

"The UK jobs market remained tight in September, with candidate shortages impacting recruiters' abilities to fill jobs. Deepening economic uncertainty has also meant that workers are choosing to stay put in current roles, rather than apply for new roles, leading to a moderation in the overall rate of vacancy growth."

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

Earnings

BANK OF ENGLAND MONETARY POLICY REPORT (AUGUST 2022)

Consistent with the latest Agents' employment and pay survey, nominal private sector regular wage growth is expected to rise by more than in the May projection over the first half of the forecast. That reflects the tighter-than-expected labour market and upward pressure on pay from higher price inflation, as firms seek to retain and recruit staff. Firms generally report that they expect to increase their selling prices markedly, following the sharp rises in their costs, to protect their margins.

BANK OF ENGLAND MPC MINUTES (SEPTEMBER 2022)

Annual whole-economy total pay growth had been 5.5% in the three months to July, 0.3 percentage points higher than in the three months to June, and 0.6 percentage points higher than the expectation at the time of the August Report. Private sector regular pay had risen by 6.0% in the three months to July, stronger than the expectations of 5.5% at the time of the August Report, and bonuses had also surprised to the upside. The mechanical effects of the changes in workforce composition and the Coronavirus Job Retention Scheme on pay growth had been fading, such that headline nominal private sector regular pay growth was now a more informative indicator of underlying pay growth than it had been at any point since the onset of the pandemic. 30. Nominal pay growth was expected to rise further by the end of the year. The Agents' contacts had reported that the current and expected high level of inflation, as well as industrial disputes, had been playing an increasing role in pay awards. A significant proportion of firms had given, or had been considering giving, their staff one-off payments to help with rising living costs or were reviewing their broader remuneration packages.

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

The rising cost of living and competition for scarce workers drove further marked increases in starting pay for both permanent and short-term workers in the latest survey period. This was despite the rate of starting salary inflation moderating further from March's all-time record to a 15-month low. Temp wage growth also edged down to its weakest since June 2021.

Neil Carberry, Chief Executive of the REC, said: "The challenges we see in today's data reflects the underlying shortage of Labour the UK faces. With unemployment at record lows, pay continues to rise for both temporary and permanent workers starting new jobs, and activity levels across the recruitment and staffing industry remain high."

ONS AVERAGE WEEKLY EARNINGS (OCTOBER 2022)

Growth in average total pay (including bonuses) was 6.0% and growth in regular pay (excluding bonuses) was 5.4% among employees in June to August 2022. This is the strongest growth in regular pay seen outside of the coronavirus (COVID-19) pandemic period. Average regular pay growth was 6.2% for the private sector and 2.2% for the public sector. Outside of the height of the pandemic period, this is the largest growth seen for the private sector and the largest difference between the private sector and public sector. In real terms (adjusted for inflation) over the year, total pay fell by 2.4% and regular pay fell by 2.9%. This is slightly smaller than the record fall in real regular pay we saw April to June 2022 (3.0%), but still remains among the largest falls in growth since comparable records began in 2001.

"The rising cost of living and competition for scarce workers drove further marked increases in starting pay for both permanent and short-term workers in the latest survey period."

KPMG / REC REPORT ON JOBS
October 2022

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Pay Settlements - Historic

Pay Settlements

4.0%

XpertHR

5.0%

Labour Research Department

3.5%

Paydata

XPERTHR – REPORTED IN HRREVIEW (OCTOBER 2022)

The median basic pay award in the three months to the end of September 2022 is 4 percent, unchanged for the sixth rolling quarter.

Based on the outcome of 98 pay settlements with effective dates between 1 July 2022 and 30 September 2022, covering more than 1.1 million employees, XpertHR also finds that the interquartile range widens slightly. The upper quartile is unchanged at 5 percent. The lower quartile has dipped to 2.9 percent from the revised level of 3 percent seen in the previous rolling quarter. Despite this change, the overall picture has remained fairly steady over the past three rolling quarters.

Also, the most common pay award is 5 percent. One in six (17%) basic pay awards are set at 5 percent, making this the most common award, while 14 percent are worth 4 percent.

The trend of higher pay awards also continues. Of a matched sample of 75 pay awards, 85 percent of employee groups have received a higher pay award than in the previous year. Among the remaining pay groups, 8 percent have received a lower award, and 7 percent the same.

LABOUR RESEARCH DEPARTMENT (SEPTEMBER 2022)

The mid-point among pay settlements monitored by LRD Payline has firmed up at around 5.0%, below current price inflation but higher than the settlement medians of 2.0% to 2.5% seen last summer.

In the most recent three-monthly period, ending in August 2022, the median increase was:

- 5.0% on lowest basic pay rates
- 5.0% for most workers covered by the settlement (the standard increase)

Taking the last 12 months into account the median increase was:

- 4.5% on lowest pay rates (the lowest basic median)
- 4.0% for most workers covered by the settlement (the standard median)
- 6.5% standard median weighted by workers covered

PAYDATA PAY DATABASE (OCTOBER 2022)

Paydata's pay database shows a median pay review of 3.0 per cent for 2022 pay awards up to October 2022, with an interquartile range of between 2.75 and 4.0 per cent. The most common pay award was three per cent. However, 2022 has seen more uncertainty than earlier years and when we consider pay awards which have taken place from May 2022 onwards, this has risen to 3.5%, with an interquartile range of between 3.0% and 5.0%.

Pay Settlements - Predictive

CIPD LABOUR MARKET OUTLOOK (SUMMER 2022)

Of those employers planning a pay review, an increase in pay is the most popular option at 35%. However, around two in five (38%) think it is hard to tell, and one in five (20%) do not know. Six per cent expect a pay freeze and only 1% expect a decrease.

The median expected basic pay increase stands at 3% in total, as it has for the last three quarters. Expected pay awards in the private sector have risen to a median of 4% – this is the highest of any sector dating back to 2012. The figure stands at 3% for the voluntary sector and the public sector remains at 2% this quarter.

It should be noted that the average basic pay award covered in this analysis is only one pay component. Many people will also benefit from incremental progression, bonuses, or a pay bump when switching jobs. For this reason, growth in median earnings is likely to be higher than this metric suggests.

XPERTHR – REPORTED IN HRREVIEW (OCTOBER 2022)

The latest data from XpertHR shows that 91 percent of employees will receive a pay rise next year, with the median basic pay award in the 12 months to the end of August 2023 forecast to climb to 5 percent.

Based on responses from 323 private-sector organisations, XpertHR also finds that the predicted pay awards over the coming year are worth between nil and 15 percent. The middle half of deals is expected to fall within the relatively wide range from 3.5 percent to 6 percent.

The research also found that just 2.5 percent of forecasts are expected to receive a pay freeze. The majority of these are in the services arm of the private sector.

Also, three in 10 pay awards are predicted to be worth 5 percent. A pay increase of 5 percent is not only the median value but also the most common prediction, with 29.2 percent of reviews forecast to result in this figure.

Sheila Attwood, XpertHR Pay and Benefits Editor, said:

"Should pay awards reach the median 5 percent set out in our forecast they will sit at a level XpertHR has not recorded since 1992. Organisations are under a great deal of pressure to increase pay in line with rising cost-of-living, but while inflation is clearly the most prominent factor likely to push up the value of pay awards, it is affordability that employers will ultimately have to consider when making the final decision."

INCOMES DATA RESEARCH (SEPTEMBER 2022)

The results from our survey suggest that employers expect continued upward pressure on pay and that they will respond accordingly. Over half (56%) of participants expect their 2023 pay award to be higher than this year's outcome, with only one-in-ten expecting to implement a lower increase. With little sign of upward pressures easing in the short term, the median pay award could rise next year from an already high figure of 3.7% overall for this year.

"
Organisations are under a great deal of pressure to increase pay in line with rising cost-of-living, but while inflation is clearly the most prominent factor likely to push up the value of pay awards, it is affordability that employers will ultimately have to consider when making the final decision."

SHEILA ATTWOOD
Pay and Benefits Editor, XpertHR

UK REWARD MANAGEMENT SURVEY (AUTUMN 2022)

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 2022 is 4.0 per cent, with an interquartile range of between 3.00 and 4.85 per cent.

Eight per cent of organisations state they are having a second 2022 pay award. A further two per cent are bringing their 2023 pay award forward to autumn 2022. The median pay budget for this second award is 3.0 per cent, with an interquartile range of 2.0 and 4.0 per cent.

Initial results indicate that respondents will increase levels of pay for 2023, with a median of 4.0 per cent and an interquartile range of between 3.0 and 5.0 per cent. No organisation currently predicts a pay freeze in 2023.

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

> **"Initial results indicate that respondents will increase levels of pay for 2023, with a median of 4.0 per cent and an interquartile range of between 3.0 and 5.0 per cent. No organisation currently predicts a pay freeze in 2023."**
>
> **PAYDATA UK REWARD MANAGEMENT SURVEY**
> Autumn 2022

PAYstats at a glance

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

Consumer Price Index	CPIH	Retail Price Index ^
10.1% September 2022	**8.8%** September 2022	**12.6%** September 2022

Employment

32.8m

employed, up 0.8% on last year.

68,000

redundancies, down 31.7% on last year.

1.27m

vacancies, up 20.4% on last year.

1.19m

unemployed, down 21.4% on last year.

5.6%

change in whole economy average earnings, excluding bonuses, for the 12 months to August 2022, up 0.1 percentage points on last month.

5.8%

change in whole economy average earnings, including bonuses for the 12 months to August 2022, no change on last month.

Notes: ^ RPI has lost its designation as a National Statistic but is still used for some indexing purposes. ~ Labour Force Survey estimates published on 14 June 2022 have been reweighted for periods from January to March 2020, using updated Pay As You Earn (PAYE) Real Time Information (RTI) data.

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 2022		Jul-Sept 2022		Jun-Aug 2022		Jun-Aug 2022	
	000's	Change	000's	Change	000's	Change	000's	Change
All UK ~	32,754	0.8%	1,266	20.4%	68	-31.7%	1,188	-21.4%
Manufacturing	2,616	2.9%	90	7.2%				
Electricity & gas supply	139	-3.4%	6	-6.8%				
Water, sewerage & waste	230	0.1%	8	6.9%				
Construction	2,265	1.8%	45	2.7%				
Wholesale, retail & motor repair	4,765	-0.2%	159	7.6%				
Info & communications	1,604	8.8%	66	1.1%				
Financial & insurance	1,068	-3.9%	51	18.5%				
Real estate	637	0.4%	16	-5.5%				
Prof. scientific & technical	3,325	3.9%	127	22.4%				
Administrative & support	3,225	5.6%	76	-8.4%				
Public admin, defence, social security	1,639	1.6%	41	37.7%				
Education	3,078	4.6%	74	22.8%				
Health & social work	4,616	0.7%	217	21.3%				
Other services	876	-0.4%	22	-16.3%				

AVERAGE EARNINGS (seasonally adjusted)

	Excluding bonuses		Including bonuses	
August 2022	Change from 12 months ago	% point change since last month	Change from 12 months ago	% point change since last month
Whole economy	5.6%	0.1%	5.8%	0.0%
Private	6.4%	0.1%	6.4%	-0.2%
Public	2.4%	0.2%	2.6%	0.2%
Services	5.9%	0.3%	5.9%	-0.1%
Finance & business services	6.0%	0.8%	6.0%	0.3%
Public sector exc. Financial services	2.4%	0.3%	2.6%	0.4%
Manufacturing	4.8%	0.1%	5.0%	1.0%
Construction	4.0%	-1.4%	4.3%	-1.5%
Wholesale, retail, hotels & restaurants	7.4%	-0.3%	6.8%	-0.5%

Notes: * Sector breakdown as at June 2022

Current Rates

NATIONAL MINIMUM WAGE (NMW)
For more information: www.gov.uk

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

Apprentice minimum wage rate for:
- apprentices under 19 years old
- apprentices aged 19 and over, but in the first year of their apprenticeship

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.	£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:	£10.90
- London hourly rate:	£11.95

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

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

STATUTORY SICK PAY
For more information: www.livingwage.org.uk

Standard weekly rate	£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 2022, the weekly pay is capped at £571 and the maximum statutory redundancy pay is £17,130. If redundancy was made before 6 April 2022, 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

Paydata
making lives better at work

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