Paydata
making lives better at work

Paydata Business Insight
National Statistics

January 2023: PAYstats Pay and Labour Market Statistics

Quarterly Edition

January 2023: 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 10.5% in the 12 months to December 2022, down from 10.7% in November.
- The UK employment rate was estimated at 75.6% in September to November 2022, largely unchanged compared with the previous three-month period
- The number of vacancies in October to December 2022 was 1,161,000, a decrease of 75,000 from July to September 2022. Despite six consecutive quarterly falls, the number of vacancies remains at historically high levels.
- […] rates of both starting salary and temp pay growth hit their lowest since April 2021. Where higher rates of pay were reported, this was frequently linked to competition for scarce staff as well as the rising cost of living.
- The overall average salary increase in the UK is forecast to rise to 5% in 2023, as […] organisations react to inflationary pressures on employee pay.

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 projected to fall sharply to 1.4% in two years' time, below the 2% target, and to 0.0% in three years' time."**
>
> **BANK OF ENGLAND MONETARY POLICY REPORT**
> November 2022

BANK OF ENGLAND MONETARY POLICY REPORT (NOVEMBER 2022)

The MPC's latest projections describe a very challenging outlook for the UK economy. It is expected to be in recession for a prolonged period and CPI inflation remains elevated at over 10% in the near term. From mid-2023, inflation is expected to fall sharply, conditioned on the elevated path of market interest rates, and as previous increases in energy prices drop out of the annual comparison. It then declines to some way below the 2% target in years two and three of the projection. This reflects a negative contribution from energy prices, as well as the emergence of an increasing degree of economic slack and a steadily rising unemployment rate. The risks around that declining path for inflation are judged to be to the upside.

In the MPC's central projection that is conditioned on the elevated path of market interest rates, domestic inflationary pressures subside given the increasing amount of economic slack. Energy prices are projected to make a negative contribution to inflation in the medium term. CPI inflation is projected to fall sharply to 1.4% in two years' time, below the 2% target, and to 0.0% in three years' time. The risks around these projections are judged to be skewed to the upside.

In projections conditioned on the alternative assumption of constant interest rates at 3%, CPI inflation is projected to be 2.2% at the end of the second year. However, it falls to 0.8% at the end of the third year. Given the judgement of an upside skew to the risks around the modal inflation projection, mean CPI inflation is also relevant. Conditioned on constant interest rates, mean CPI inflation is 2.7% and 1.3% at those same horizons.

BANK OF ENGLAND MPC MINUTES (DECEMBER 2022)

Twelve-month CPI inflation fell from 11.1% in October to 10.7% in November. The November figure was slightly below expectations at the time of the November Report. The exchange of open letters between the Governor and the Chancellor of the Exchequer is being published alongside this monetary policy announcement. Although the introduction of the Energy Price Guarantee (EPG) in October has limited the rise in CPI inflation, the contribution of household energy bills to inflation has risen further. Since the MPC's previous meeting, core goods price inflation has fallen back, while annual food and services price inflation have strengthened. CPI inflation is expected to continue to fall gradually over the first quarter of 2023, as earlier increases in energy and other goods prices drop out of the annual comparison.

The announcement in the Autumn Statement that the extension of the EPG will cap household unit energy prices at a level consistent with a typical household dual fuel bill of £3,000 per year from April 2023 to March 2024 implies a slightly lower near-term path for energy bills than the working assumption made in the November Report. All else equal, this will reduce the MPC's forecast for CPI inflation in 2023 Q2 by around ¾ of a percentage point.

OFFICE FOR NATIONAL STATISTICS (DECEMBER 2022)

The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 9.2% in the 12 months to December 2022, down from 9.3% in November. The largest upward contributions to the annual CPIH inflation rate in December 2022 came from housing

and household services (principally from electricity, gas, and other fuels), and food and non-alcoholic beverages. On a monthly basis, CPIH rose by 0.4% in December 2022, compared with a rise of 0.5% in December 2021.

The Consumer Prices Index (CPI) rose by 10.5% in the 12 months to December 2022, down from 10.7% in November. On a monthly basis, CPI rose by 0.4% in December 2022, compared with a rise of 0.5% in December 2021.

The largest downward contribution to the change in both the CPIH and CPI annual inflation rates between November and December 2022 came from transport (particularly motor fuels), clothing and footwear, and recreation and culture, with rising prices in restaurants and hotels, and food and non-alcoholic beverages making the largest partially offsetting upward contributions.

"The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 9.2% in the 12 months to December 2022, down from 9.3% in November."

OFFICE FOR NATIONAL STATISTICS
December 2022

Employment

CIPD LABOUR MARKET OUTLOOK (AUTUMN 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 positive at +29, which was down from +34 last quarter. This continues to exceed pre-pandemic levels, pointing to strong employment intentions.

46% of recruiting employers have hard-to-fill vacancies. These are most common in transport and storage (60%), voluntary (56%) and healthcare (55%).

The top response to hard-to-fill vacancies has been to upskill existing staff (47%), followed by raising pay (44%), which is up from 29% in the previous quarter. However, fewer employers plan to raise wages in the future in response to hard-to-fill vacancies (24%).

Redundancy intentions remain low but are increasing. 16% of employers are planning to make redundancies in the three months to December 2022, which is up from 13% last quarter.

BANK OF ENGLAND MONETARY POLICY REPORT (NOVEMBER 2022)

As a result of the slowdown in demand and the weak economic outlook, some firms may be adjusting their hiring plans. While vacancies rose sharply after the pandemic, reflecting increased demand for labour and recruitment difficulties, some indicators suggest they have fallen since the start of the year. This could also reflect hiring constraints – if firms know that it has become more difficult to fill a vacancy, they may not advertise it. Candidate shortages were one reason why demand for staff was reported to have fallen in the latest KPMG/REC UK Report on Jobs. Agency intelligence suggests that vacancies have also been falling because some firms have managed to fill some of those positions. In the official ONS data, employment fell by 0.3% in the three months to August. Surveys suggest employment growth remains in positive territory, however.

Although employment growth has slowed, a range of evidence suggests that the labour market remains tight. The unemployment rate fell to 3.5% in the three months to August, its lowest level since 1974. The number of unemployed people as a share of the working age population has fallen below its pre-Covid level, and there continues to be more vacancies than there are unemployed people. The high level of vacancies and other measures of recruitment difficulties suggest that the labour market is tighter than implied by the unemployment rate alone.

BANK OF ENGLAND MPC MINUTES (DECEMBER 2022)

The Labour Force Survey (LFS) unemployment rate had risen to 3.7% in the three months to October, slightly higher than the expectation of 3.5% at the time of the November Monetary Policy Report. LFS employment had grown by 0.1% in the three months to October, slightly weaker than the 0.3% expected at the time of the November Report. HMRC employee payrolls had increased by 107,000 in November. LFS inactivity had fallen slightly, but had remained high by historical standards.

The Committee discussed recent labour market developments. Overall, recent data suggested that the labour market was historically very tight but appeared to be past its peak tightness. Labour demand appeared to have weakened somewhat and the

+29

this quarter's net employment balance

46%

have hard-to-fill vacancies, most commonly in transport and storage, voluntary and healthcare sectors.

November Report was consistent with a further weakening, given the usual lags between GDP and the labour market. While the earlier strength in the labour market had partly reflected the recovery in demand following the pandemic, recent weakness in labour participation appeared to have somewhat exacerbated the tightness of the labour market. This weakness in participation in part reflected an ageing population, early retirement decisions for some workers and ill health. Given that these trends could continue for some time, a key uncertainty was the speed of the downward adjustment to labour demand as labour supply fell, and thus the extent to which any supply-demand imbalance exerted upward pressure on inflation. The MPC would have an opportunity to review these judgements as part of its annual supply stocktake, which would conclude alongside the February 2023 Monetary Policy Report.

OFFICE FOR NATIONAL STATISTICS (JANUARY 2023)

The UK employment rate was estimated at 75.6% in September to November 2022, largely unchanged compared with the previous three-month period and 1.0 percentage points lower than before the coronavirus (COVID-19) pandemic (December 2019 to February 2020). The number of employees and part-time self-employed workers increased over the latest three-month period, while full-time self-employed workers decreased.

The most timely estimate of payrolled employees for December 2022 shows another monthly increase, up 28,000 on the revised November 2022 figures, to 29.9 million.

The unemployment rate for September to November 2022 increased by 0.2 percentage points on the quarter to 3.7%. In the latest three-month period, the number of people unemployed for up to six months increased, driven by those aged 16 to 24 years. Those unemployed for over six and up to 12 months increased, while those unemployed for over 12 months decreased in the recent period.

The economic inactivity rate decreased by 0.1 percentage points on the quarter to 21.5% in September to November 2022. The decrease in economic inactivity during the latest three-month period was driven by those aged 16 to 24 years and those aged 50 to 64 years. Looking at economic inactivity by reason, the quarterly decrease was driven by those inactive because they are students, long-term sick, or retired.

The redundancy rate has increased to 3.4 per thousand employees in September to November 2022 but remains low.

The number of vacancies in October to December 2022 was 1,161,000, a decrease of 75,000 from July to September 2022. Despite six consecutive quarterly falls, the number of vacancies remains at historically high levels. The fall in the number of vacancies reflects uncertainty across industries, as survey respondents continue to cite economic pressures as a factor in holding back on recruitment.

MANPOWER EMPLOYMENT OUTLOOK SURVEY (Q1 2023)

In the context of high inflation and an economic downturn, UK employers have signalled they are determined to keep hiring in the New Year with the Net Employment Outlook remaining positive at +19% for Q1 2023.

Although UK employers intend to keep hiring at pace to maintain productivity and business as usual, the latest Outlook does mark a decline of five percentage-points on Q4 2022. With a stretched and tightened labour market to contend with, retaining skilled talent will be a key priority for many organisations.

> **"Talent retention is going to be a battle for most employers this year. We're seeing hiring cool for the third quarter running, but the demand for skilled talent is still outstripping supply."**
>
> **CHRIS GRAY**
> Director, ManpowerGroup UK

"Talent retention is going to be a battle for most employers this year" says Chris Gray, Director at ManpowerGroup UK. "We're seeing hiring cool for the third quarter running, but the demand for skilled talent is still outstripping supply – meaning employee choice over their working conditions and workplace remains high, resulting in job-hopping for better skills training and benefits. This situation can be likened to a leaky bucket – employers have to keep hiring at pace just to maintain position and not lose out amidst an ongoing skills shortage."

KPMG / REC REPORT ON JOBS (JANUARY 2023 PRESS RELEASE)

The number of people placed into permanent jobs fell for the third month running at the end of 2022, as increased economic uncertainty and pressure on budgets weighed on recruitment plans. The rate of reduction was the quickest seen since January 2021, when the third national lockdown dampened hiring. Temp billings meanwhile expanded further in December, though the rate of growth remained modest overall.

Recruitment consultancies signalled a sustained rise in demand for staff in December. That said, the overall rate of vacancy growth weakened for the ninth straight month and was the slowest seen since the current period of recovery began in February 2021. This was driven by a weaker upturn in permanent staff demand, as temp vacancies expanded at a slightly quicker pace.

Uncertainty surrounding the outlook also dampened candidate availability, as more people became cautious around seeking out new roles in the current climate. Combined with an already tight labour market, this drove further drops in the supply of both permanent and temporary labour. However, reports of redundancies in some areas meant that the overall rate of decline eased to the weakest in 21 months.

Commenting on the latest survey results, Neil Carberry, Chief Executive of the REC, said:

"A slowdown in permanent placements is not unusual in December, but this one comes as part of a wider softening trend in the permanent market. Recruiters tell us that this was enhanced by firms pushing hiring activity back into January in the face of high inflation and economic uncertainty. The big test of the labour market will come this month. But overall activity levels remain high, with vacancies and starting rates of pay still growing. […] The overall picture is still of a robust labour market, although contraction in sectors such as construction is a particular concern given its significance to the health of the economy."

A slowdown in permanent placements is not unusual in December, but this one comes as part of a wider softening trend in the permanent market. Recruiters tell us that this was enhanced by firms pushing hiring activity back into January in the face of high inflation and economic uncertainty. The big test of the labour market will come this month. But overall activity levels."

NEIL CARBERRY
Chief Executive, REC

Earnings

BANK OF ENGLAND MONETARY POLICY REPORT (NOVEMBER 2022)

Nominal wage inflation stabilised at around 5% to 7%, and a growing number of firms said they had made or were considering making one-off payments to help offset rising living costs. There could be further upside risks to pay growth in the coming months as contacts reported that inflation was becoming a more important factor in pay negotiations – in particular among unionised organisations. Forthcoming increases in the National Living Wage and Real Living Wage were also expected to contribute to upward pay pressure.

BANK OF ENGLAND MPC MINUTES (DECEMBER 2022)

Annual whole-economy total pay growth had picked up slightly to 6.2% in the three months to October. Private sector regular pay growth had also picked up further to 6.9%, 0.5 percentage points stronger than the expectation at the time of the November Report. On a three month on three month annualised basis, private sector regular pay growth had fallen back to 6.7%, a level more in line with the annual rate of increase than earlier in the year. Annual public sector pay growth had remained weaker, at 2.7% in the three months to October.

Annual private sector wage growth was expected to flatten off at around 7% in coming months, before declining later in 2023. There were risks on either side. Pay indicators in the November KPMG/REC survey, which tended to lead the official data, had weakened a little further. However, a number of contacts of the Bank's Agents expected further upward pressure on pay growth next year, in part as strength in CPI inflation could encourage workers to continue to demand high pay settlements. Some contacts had nevertheless reported that weaker demand, affordability constraints for firms and an easing in recruitment difficulties could limit the extent of pay increases.

KPMG / REC REPORT ON JOBS (JANUARY 2023 PRESS RELEASE)

The latest survey indicated that pay pressures continued to soften at the end of the year, but remained strong in the context of historical data. Notably, rates of both starting salary and temp pay growth hit their lowest since April 2021. Where higher rates of pay were reported, this was frequently linked to competition for scarce staff as well as the rising cost of living.

ONS AVERAGE WEEKLY EARNINGS (JANUARY 2023)

Growth in average total pay (including bonuses) and regular pay (excluding bonuses) among employees was the same at 6.4% in September to November 2022; for regular pay, this is the strongest growth rate seen outside of the coronavirus pandemic period. Average regular pay growth for the private sector was 7.2% in September to November 2022, and 3.3% for the public sector. Outside of the height of the coronavirus pandemic period, this is the largest growth rate seen for the private sector.

In real terms (adjusted for inflation) over the year, total and regular pay both fell by 2.6%. This is slightly smaller than the record fall in real regular pay we saw in April to June 2022 (3.0%), but still remains among the largest falls in growth since comparable records began in 2001.

"The latest survey indicated that pay pressures continued to soften at the end of the year, but remained strong in the context of historical data. Notably, rates of both starting salary and temp pay growth hit their lowest since April 2021."

KPMG / REC REPORT ON JOBS
January 2023

Pay Settlements - Historic

XPERTHR – REPORTED IN PERSONNEL TODAY (DECEMBER 2022)

Pay awards continued to climb last month, reaching a median of 5% in the three months to the end of November – their highest level for 31 years. XpertHR's analysis of pay settlements that took effect in the last rolling quarter found that the average award increased by one percentage point, up from 4% during the previous three-month period.

Among a matched sample of pay settlements, 88% saw the same group of employees receive a higher award than they were offered at their previous pay review, according to XpertHR. There remained a wide spectrum of deals, with those at the bottom end seeing employees receive a 2% pay rise and the largest increase being 10.1%.

Private sector pay continued to accelerate at a faster rate than public sector wages. The private sector median rose to 4% compared to 2% for the 12 months to the end of November 2022, while the public sector median was 3.8%, up from 1.4% in 2021.

Sheila Attwood, XpertHR senior content manager, data and HR insights, said: "The cost-of-living crisis continues to be high on the agenda of many pay setters as a tumultuous year draws to a close. A sharp spike in inflation coupled with a tight labour market has inevitably placed an upward pressure on wages. [...] It is more important than ever that employers seek to strike the right balance between employees' pay expectations and affordability."

LABOUR RESEARCH DEPARTMENT (DECEMBER 2022)

The mid-point (median) among pay increases remained at 7.2% on lowest basic rates over the three months to November, sustaining the level reached a month earlier (LRD Payline).

[…] that means that these mainly union-negotiated pay rises are for the most part still significantly behind either of the two most frequently reported inflation measures. However they are ahead of the latest recorded increase in Average Weekly Earnings […].

The median increase is slightly higher in the private sector, where there have been pay deals worth around 10% or more in transport, car manufacturing and some retail-related bargaining groups.

PAYDATA PAY DATABASE (JANUARY 2023)

Paydata's pay database shows a median pay review of 3.5 per cent for 2022 pay awards, with an interquartile range of between 3.0 and 4.2 per cent. The most common pay award was three per cent.

Pay Settlements

5.0%
XpertHR

7.2%
Labour Research Department

3.5%
Paydata

Pay Settlements - Predictive

CIPD LABOUR MARKET OUTLOOK (AUTUMN 2022)

Of those employers planning a pay review, an increase in pay is the most popular option at 38%. However, around two in five (37%) think it is hard to tell, and one in five (18%) do not know. Six per cent expect a pay freeze and only 1% expect a decrease.

The median expected basic pay increase stands at 4% for all employers, the highest overall net figure in the LMO's current time series dating back to 2012. Expected pay awards in the private sector have risen to a median of 5%, which again is the highest of any sector [recorded by the LMO since 2012]. The figure stands at 4% for the voluntary sector, and the public sector rises to 3% this quarter.

The majority of employers have not given and do not plan to give staff a lump sum (64%). Twelve per cent plan to give all staff a lump sum, while a further 10% plan to give some staff a lump sum. Of those employers giving a cash lump sum to only certain staff, 43% are giving it only to low wage employees.

WILLIS TOWERS WATSON SALARY BUDGET PLANNING REPORT (NOVEMBER 2022)

The overall average salary increase in the UK is forecast to rise to 5% in 2023, as the majority of organisations (86%) react to inflationary pressures on employee pay. That's according to WTW's latest Salary Budget Planning Report.

While current pay budgets have risen to 4.2%, more than two-thirds of companies (68%) have spent more than they originally planned on pay adjustments for the last 12 months.

Paul Richards, Reward Data Intelligence leader for Europe at WTW says: "As inflation continues to rise and the threat of an economic downturn looms, companies are using a range of measures to support their staff during this time. Pay rise increases are forecasted to hit 5% next year, which is a significant jump compared with the 3.2% increase in January of this year."

INCOMES DATA RESEARCH (DECEMBER 2022)

More than half of employers anticipate awarding a pay rise worth 5% or more in 2023, according to IDR's poll of 181 mostly medium and large-sized private sector employers. Just over half - some 53% - said they intend to award increases of at least 5%, with a quarter intending to make awards at a level just below this, between 4% and 4.99%. The results of [the] poll reveal insights on employers' pay intentions for 2023 and indicate that continued upward pressure on pay is likely to deliver higher pay rises next year when compared to 2022. Almost three-quarters (72%) of the sample anticipate that the level of pay rise will be higher next year when compared to 2022. Meanwhile, 15% said that the level of pay rise in 2023 is likely to be the same as the level of increase awarded in 2022 and just 13% of employers in the sample expect that pay awards in 2023 will be lower when compared to this year's outcome.

"Pay rise increases are forecasted to hit 5% next year, which is a significant jump compared with the 3.2% increase in January of this year."

PAUL RICHARDS
Reward Data Intelligence Leader for Europe, WTW

UK REWARD MANAGEMENT SURVEY (AUTUMN 2022)

Amidst ongoing economic uncertainty, 25 per cent expect that their pay review budget will reach up to three per cent in 2023. The number of respondents predicting up to two per cent increases remains in line with 2022 practices at just five per cent. The number of respondent employers predicting an increase of up to four per cent is the highest captured in recent years, going from a projected 12 per cent in 2022 to 22 per cent. While only three per cent predicted increases of up to five per cent last year, this has also jumped to 28 per cent for 2023. None of the respondent employers predict pay freezes in the year ahead.

To take part in our **Spring UK Reward Management Survey** and receive a copy of the free participant report, please **register here**

> **“The number of respondent employers predicting an increase of up to four per cent is the highest captured in recent years, going from a projected 12 per cent in 2022 to 22 per cent. While only three per cent predicted increases of up to five per cent last year, this has also jumped to 28 per cent for 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 ^
10.5% December 2022	9.2% December 2022	13.4% December 2022

Employment

32.8m
employed, up 0.7% on last year.

97,000
redundancies, up 24% on last year.

1.2m
vacancies, down 6.8% on last year.

1.2m
unemployed, down 10% on last year.

6.7%
change in whole economy average earnings, excluding bonuses, for the 12 months to November 2022, up 0.1 percentage points on last month.

6.7%
change in whole economy average earnings, including bonuses for the 12 months to November 2022, up 0.3 percentage points 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	Sep-Nov 2022		Oct-Dec 2022		Sep-Nov 2022		Sep-Nov 2022	
	000's	Change	000's	Change	000's	Change	000's	Change
All UK ~	32,781	0.7%	1,161	-6.8%	97	24%	1,244	-10.0%
Manufacturing	2,637	3.9%	78	-18.0%				
Electricity & gas supply	138	-5.0%	5	-7.0%				
Water, sewerage & waste	236	-0.1%	7	-17.6%				
Construction	2,231	0.5%	45	10.9%				
Wholesale, retail & motor repair	4,823	-0.5%	146	-9.3%				
Info & communications	1,670	8.1%	56	-20.0%				
Financial & insurance	1,162	-0.3%	49	3.6%				
Real estate	663	3.5%	15	0.7%				
Prof. scientific & technical	3,321	3.8%	122	1.6%				
Administrative & support	3,078	2.5%	71	-20.5%				
Public admin, defence, social security	1,633	1.5%	41	28.6%				
Education	3,054	3.4%	76	14.2%				
Health & social work	4,657	1.0%	206	1.5%				
Other services	927	1.1%	22	-14.0%				

AVERAGE EARNINGS (seasonally adjusted)

	Excluding bonuses		Including bonuses	
November 2022	Change from 12 months ago	% point change since last month	Change from 12 months ago	% point change since last month
Whole economy	6.7%	0.1%	6.7%	0.3%
Private	7.3%	0.1%	7.2%	0.1%
Public	3.9%	0.1%	3.9%	0.1%
Services	6.9%	0.2%	7.0%	0.5%
Finance & business services	7.9%	0.3%	8.2%	1.9%
Public sector exc. Financial services	3.9%	0.1%	4.0%	0.1%
Manufacturing	5.2%	-0.5%	5.3%	-0.8%
Construction	6.2%	-0.2%	5.0%	-1.3%
Wholesale, retail, hotels & restaurants	5.9%	0.4%	4.9%	-0.7%

Notes: * Sector breakdown as at September 2022

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:	£9.18 (£10.18) £6.83 (£7.49) £4.81 (£5.28)
Accommodation offset – maximum per day that can be offset against the NMW where employer provides accommodation.	£8.70 (£9.10)
Apprentice minimum wage rate for: - apprentices under 19 years old - apprentices aged 19 and over, but in the first year of their apprenticeship	£4.81 (£5.28)

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 (£10.42)

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

* Figures in brackets effective from April 2023

Paydata
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How can we help?

Committed to making lives better at work, Paydata has over 25 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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SME Cambridgeshire Business Awards 2021 Bronze Winner