

This Week in Employment Law

Chancellor Confirms April's NMW Increases

As part of this week's Budget, Chancellor of the Exchequer Philip Hammond has revealed the changes to the National Minimum Wage rates that will come into force in April 2019. Below are the key increases that employers need to know:

- Minimum pay rates for workers aged 25 and over will increase from £7.83 to £8.21 per hour. This means a full time worker, aged 25 or over, will receive an annual pay increase of £690
- The rate for those aged 21-24 will increase from £7.38 an hour to £7.70 per hour
- Those aged 18-20 will see their minimum pay increase from £5.90 to £6.15 an hour
- 16-17 year olds will also benefit from a new minimum hourly rate set at £4.35, previously £4.20
- The apprentice rate will increase from £3.70 per hour to £3.90 per hour
- These increases follow many of the recommendations made by the Low Pay Commission and are set to affect 2.4 million workers in the UK who currently earn the National Living/Minimum Wage.

17,000 firms yet to publish modern slavery statement

The Home Office has written directly to 17,000 businesses who have not published their annual Modern Slavery Statements. Around 60% of eligible firms have already published their statements, however a number of these are considered to be poor quality, with many failing to meet the basic legal requirements.

Did you know?

Firms with a minimum annual turnover of £36 million must publish their Modern Slavery Statements 6 months from the end of each financial year. An independent review is looking into strengthening the law to encourage firms to comply with these requirements in the future.

New 'real' Living Wage rates expected next week

To mark 'Living Wage Week', running from 5th November 2018-10th November 2018, an announcement is expected which will see the hourly rate of the 'real' Living Wage increase from its current rate of £10.20 an hour in London and £8.75 for the rest of the country.

Did you know?

The 'real' Living Wage is a hourly rate, greater than the National Living/Minimum Wage rates, that employers may voluntarily pay their employees. The 'real' Living Wage is based on the cost of living and currently over 4000 employees pay staff this enhanced rate.

Govt to provide extra funds for apprentice schemes

As announced in this week's budget, £695m will be set aside by the government as part of a package to support apprenticeships in smaller businesses. The Treasury has promised to halve the apprenticeship fees for SMEs meaning they must now pay just 5% of any training costs for apprentices.

Did you know?

Employing apprentices comes with its own set of specific rules which employers need to be aware of. This includes the need for specific apprenticeship agreements and a minimum amount of off the job training opportunities.

Given the planned increase to the minimum wage, payroll and HR personnel must work together to ensure these new rates are reflected in salaries from April 2019. If you would like further guidance on introducing the new rates, call our 24 hour Advisory Service.

Please contact the 24 Hour Advice Service for advice on your specific situation before acting on the information in this publication.