

Autumn Budget 2017

In the know

Chancellor of the Exchequer Philip Hammond delivered the Autumn Budget on 22nd November 2017. The new minimum wage rates to take effect from April 2018 were confirmed, along with a number of employment initiatives that employers need to be aware of. Here, we take a look at the main HR points.

New minimum wage rates

- The Chancellor confirmed the hourly minimum wage increases that will take effect from April 2018;
- The National Living Wage (for workers age 25+) will increase by from £7.50 to £7.83 an hour. This represents a 4.4% increase and an extra approx. £600 per year for a full time worker);
- The rate for workers aged 21-24 will increase from £7.05 to £7.38 an hour (4.7% increase and an extra approx. £600 per year for a full time worker);
- The rate for workers aged 18-20 will increase from £5.60 to £5.90 an hour (5.4% increase and an extra approx. £500 per year for a full time worker);
- The rate for workers over compulsory school age but not yet 18 will increase from £4.05 to £4.20 an hour (3.7% increase and an extra approx. £250 per year for a full time worker);
- The apprentice rate (payable to apprentices aged under 19, or 19 or over but in the first year of their apprenticeship) will increase from £3.50 to £3.70 per hour (5.7% increase and an extra approx. £350 per year for a full time worker).

Apprenticeships

- The Budget was used to repeat the government's commitment to deliver three million apprenticeship starts by 2020 through the operation of the apprenticeship levy. The Chancellor announced the government will review the flexibility levy payers have to spend their money.

Retraining scheme

- A new National Retraining Scheme will be introduced. The government will work in partnership with the Trade Union Congress and the Confederation of British Industry to develop a scheme that supports workers with retraining during their working lives;
- It will provide the opportunity to gain skills that are necessary for future workplaces. At first, the scheme will focus on certain sectors and will initially look to provide retraining on construction and digital skills.

Employment status

- In the Budget document, it was further announced that the government will publish a discussion paper in response to Matthew Taylors review on 'Modern working practices';
- This paper will explore the options available to clarify employment status tests for both employment rights and tax.

The content of this briefing is correct at the time of publishing.

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