

In the Know....

# New Rates Announced for 2017



The Government has announced important increases to the National Minimum Wage, National Living Wage and other statutory payments to take effect from April 2017. Here, we take a look at what those rates will be.

## National Living Wage

April 2017 will represent the first anniversary of the introduction of the National Living Wage; the rate payable to workers who are aged 25 or over which is currently set at £7.20 per hour. Shortly after it was increased, the Government announced that it expected the National Living Wage to increase to £7.60 per hour from April 2017 however this growth has failed to materialise. Therefore Philip Hammond, Chancellor of the Exchequer, confirmed in the Autumn Statement that the rate of the National Living Wage will increase to £7.50 from April 2017.

## National Minimum Wage

The remaining grades within the National Minimum Wage will also be increased from April 2017 as follows:

	Now	April 2017
Age 21 - 24	£6.95	£7.05
Age 18 - 20	£5.55	£5.60
Over CSA* - 17	£4.00	£4.05
Apprentice rate**	£3.40	£3.50

\* Compulsory school age

\*\* The apprentice rate is payable to apprentices aged under 19, or aged 19 or over and in the first year of their apprenticeship

This represents the second increase to the National Minimum Wage rates in 6 months because, from 2017, the increase date is being moved to April. Previous increases, including in 2016, have always taken place in October.

## Statutory Rates

Rates payable to employees who are on sickness absence and on family related leave will also increase from April 2017. The current proposals (subject to confirmation) are as follows (all are weekly rates):

	Now	April 2017
Statutory Sick Pay (SSP)	£88.45	£89.35
Statutory Maternity/Paternity/Adoption/Shared Parental Pay	£139.58	£140.98
Lower Earnings Threshold*	£112	£113

\*Employees must earn at least this amount on average per week to qualify for SSP/SMP etc.

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

## Summary

- HMRC enforcement means that employers can be fined and named and shamed if they do not comply with the law on National Minimum Wage and National Living Wage.
- The new National Minimum Wage and National Living Wage rates are applicable for all new pay references periods that start on or after the implementation date.
- Statutory sick pay can no longer be claimed back from the Government, however, statutory maternity pay etc is reclaimable up to a set amount.

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