

National Minimum Wage and National Living Wage changes from 1st April 2021- What you need to do.

What's changing?

	Current Rate		New Rate
Apprentice Under 19 or 19+ and in the 1 st year of the apprenticeship	£4.15		£4.30
Apprentice 19+ and 1 st year of apprenticeship completed	Applicable NMW rate applies		Applicable NMW rate applies
Under 18	£4.55		£4.62
18-20	£6.45		£6.56
21-24*	£8.20	21-22	£8.36
25+*	£8.72	23+	£8.91

*As of 1st April 2021 the National Living Wage will apply to those aged 23 and over as opposed to 25 and over.

What do you need to do and when do you need to do it?



You must apply the annual rate increase on the first pay period **on or after** the increase takes place



Likewise, when your workers reach a milestone age

What does this mean?

You have to apply the new rates for the pay period that starts **on or after** 1st April 2021 for all hours worked e.g.:

Your pay run runs from 15th March to 14th April and the pay date is the 28th of each month. You'd apply the new rates for the pay period **after** 1st April i.e., 15th April to 14th May. You don't need change your employees' rate of pay part way through that pay period.

If your pay run starts on the 1st of the month, then you'd apply the new rates from 1st April 2021.

What about Furlough?

You won't apply the new rates to an employee's wage if they are on furlough. Furlough must still be paid at the current rate that you are using.

Any hours worked **must** be paid using the new rates with furlough claimed using the "old" rates for 80% of the hours not worked.

The rules on when to apply the new rates will still follow those set out above i.e., the new rates are applied to the pay period that starts on or after 1st April 2021.

Anything else to look out for?

"Milestone ages"- when your employee reaches a "milestone age" (18, 21 and 23) you must remember to apply the new applicable rates for the pay period that starts **on or after** their birthday e.g. you pay your employees weekly from Monday-Sunday. An employee turns 23 on Tuesday 4th May 2021. The new rate of £8.91 would be applied to the pay period starting Monday 10th May 2021 and **not** on their birthday.