

# NEW RATES OF MINIMUM WAGE & OTHER STATUTORY PAY

Last month we saw new statutory pay increases that are crucial to get in place to ensure that payments to your employees and workers are accurate and compliant.

**The following rates are now applicable in Northern Ireland as of April 2021:**

## • NATIONAL LIVING WAGE INCREASE

We know that all minimum wage rates increase each year on 1st April, but an important note for this year relates to the National Living Wage.

The NLW will now be applicable to those **23 years old and over**, as opposed to previously being applied to those 25 years old and over.

Previous rate: April 2020	New rate: April 2021
£8.72	£8.91

Ensure that you and your payroll processes are extending the review to those who are newly eligible and keep records on your compliance checks.

	April 2020 Rate	April 2021 Rate
<b>21 – 22 years old</b>	£8.20	£8.36
<b>18 – 20 years old</b>	£6.45	£6.56

## • NATIONAL MINIMUM WAGE

	April 2020 Rate	April 2021 Rate
<b>16 – 17 years old</b>	£4.55	£4.62
<b>Apprentice Rate</b>	£4.15	£4.30

Note that from April 2021 employers must now retain records to show compliance with National Minimum Wage for **6 years**; an increase from 3 years.



## • ACCOMMODATION OFFSET

Often most applicable to hospitality organisations who provide accommodation to staff. Provision or payment of the accommodation has implications for the minimum wage.

Previous daily rate: April 2020	New daily rate: April 2021
£8.20	£8.36
Previous weekly rate: April 2020	New weekly rate: April 2021
£57.40	£58.52

## • FAMILY FRIENDLY POLICY STATUTORY INCREASES

**Statutory Maternity Pay,  
Statutory Adoption Pay,  
Statutory Paternity Pay &  
Statutory Shared Parental Pay**

Previous rate: April 2020	New rate: April 2021
£151.20	£151.97

These rates will be applicable to employees availing of the family friendly provisions named above. Alternatively the rate will be based on 90% of the employee's average weekly earnings, whichever of the two is lower.

## • STATUTORY SICK PAY

Previous rate: April 2020	New rate: April 2021
£95.85	£96.35

It is important to remember that the temporary removal of the three-day waiting period is still in place for statutory sick pay. This continues to be applicable to those needing to self-isolate due to COVID-19.

## • REDUNDANCY PAYMENT

Previous 'week's pay' amount: April 2020	New 'week's pay' amount: April 2021
£560	£566

Crucial to note for any employers in the position of calculating redundancy payments; the maximum amount of one week's pay for calculations has now increased to £566. This will have significant impacts to the costs associated with redundancy for employers and will be a welcome increase for those impacted.

## • UNFAIR DISMISSAL

The increased £566 weekly pay rate is also applicable to calculations of award of compensation for unfair dismissal. Also, certainly worth note is the increase on compensatory award for unfair dismissal:

Previous limit: April 2020	New limit: April 2021
£88,693	£89,669

Reinforcing the need to ensure that any necessary dismissal procedures are based on a robust process, if in doubt, ensure you seek professional opinion on grounds for dismissal.

*Note that these rates are applicable to Northern Ireland, for employees working outside of Northern Ireland feel free to reach out to one of our HR Consultants or visit The National Minimum Wage in 2021 - GOV.UK ([www.gov.uk](http://www.gov.uk)).*

If you require any advice about pay rates, you can contact our HR Consultants at: [www.thinkpeople.co.uk](http://www.thinkpeople.co.uk)

