

National Minimum Wage Rates 2021/22



As we edge closer to the end of the current financial year – there are certain regulatory **changes coming into effect for next year** that could have a detrimental effect on businesses without the right level of preparation in place.

One of the main factors to consider is the new National Minimum Wage criteria which has been introduced and will be implemented as of **1st April 2021** when the new financial year begins. The National Minimum Wage will now be implemented for all individuals over the age of 23, dropping from the previous 25 year-old threshold.

For workers over the age of 23, there will be a 2.2% increase – rising from £8.72 to £8.91 per hour (£0.19).

The increased rate of pay for 21 to 22 year-olds has also risen, this time by 2.0% as the hourly amount will go from £8.20 to £8.36 per hour (£0.16).

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The lower rates of pay will be set as follows:

18 to 20-year-olds will see their hourly rate increase from £6.45 to £6.56 per hour (£0.16).

16-17 year-olds (non-apprentice) will change from £4.55 to £4.62 per hour (£0.07).

The apprentice wage – for those who apply under the criteria of being under the age of 19, or being aged 19 and over, but who are still in the first year of their apprenticeship will rise from £4.15 to £4.30 per hour.

The full breakdown of changes can be found below:

| Age range | April 2020 rate | April 2021 rate |
|----------------------|-----------------|-----------------|
| Nat Min Wage (23+) | £8.72 | £8.91 |
| 21-22 | £8.20 | £8.36 |
| 18-20 | £6.45 | £6.56 |
| 16-17 | £4.55 | £4.62 |
| Apprentice | £4.15 | £4.30 |
| Accommodation Offset | £8.20 | £8.36 |

Another update that is being implemented for the upcoming tax year is an increase to the employment allowance. The previous year's allowance of £4,000 will continue to be the rate for all eligible employers.

If you require any further information on the upcoming changes or the effects they may have on your business, get in touch with one of our payroll experts on 01942 816 512 or email us at payroll@ekwgroup.co.uk