

People Update – National Minimum and Living Wage and National Insurance Contributions Increases

Information correct as at 09:00am on 04.03.2022

- Increases to National Minimum Wage (NMW) and National Living Wage (NLW) will apply from 1st April 2022
- National Insurance Contributions will increase temporarily for 2022 by 1.25 percentage points for employees, employers and the self-employed from 6th April
- Discuss these changes with affected employees ahead of time so they can plan for these accordingly

Increases to National Minimum Wage (NMW) and National Living Wage (NLW) will come into effect on 1st April 2022. While the National Minimum Wage applies to everyone of school-leaving age, the National Living Wage applies to those 23 and over.

The NLW rate for people aged 23 and over will go up from £8.91 to 9.50 per hour from 1st April 2022.

Full details of the applicable new pay rates, and accommodation offset rate, for all employees can be found here: [Minimum wage rates for 2022 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/minimum-wage-rates-2022)

You may wish to use this as an opportunity to review pay rates across the business, including for those who are not affected because they are already paid more than NLW. There is strong competition, not only within the agricultural sector but from other businesses for employees of all skill levels and retention of good employees is paramount. This may be an opportune time to invite employees in for a pay review and informal performance review and to remind them of the value they bring to your business.

At the same time as these increases to NMW and NLW, employees, employers and the self-employed will see a 1.25% increase for National Insurance Contributions come into place temporarily for 2022 on 6th April. Full details on how much employees will pay can be found here: [National Insurance: How much you pay - GOV.UK \(www.gov.uk\)](https://www.gov.uk/national-insurance-how-much-you-pay)

For some employees, these increases may not be substantial or noticeable, but for others, and combined with increases in the cost of living, they may have a bigger impact. Some employees may not be aware of, or planned for this increase which will reduce their take home pay and as a responsible employer, you may wish to make them aware of the change.

For further discussion or to help with any questions that you may have, please contact Consultant Support on consultantsupport@kiteconsulting.com or 01902 851007 / 07542 403225

