

SeavorChartered

National Minimum Wage Rates – April 2021

The National Minimum Wage (NMW) is the minimum pay per hour almost all workers are entitled to by law. With effect from 1st April 2021, the National Minimum Wage rates will increase as followed:

Category of Worker	Hourly Rate
23 years and above (National Living Wage)	£8.91
21 to 22 years inclusive	£8.36
18 to 20 years inclusive	£6.56
16 to 17 years inclusive	£4.62
Apprentices*	£4.30

*Apprentices.

For all apprentices under 19 years, £4.30 per hour will apply.

For apprentices over 19 years, £4.30 per hour will apply, for their first year only.

When the apprentice moves into their second year of the apprenticeship scheme, the NMW for their age bracket will apply, not the apprentice rate of pay.

Director Tax Efficient Salaries – April 2021

- Where directors are currently paid £9,500.00 per annum, this will increase to £9,568.00 per annum.
- Where directors are currently paid £8,788.00 per annum, this will increase to £8,840.00 per annum.

FAQS

SeavorChartered process my payroll, will the new National Minimum Wage rate and Director Salary Increases be automatically applied to my payroll?

To ensure you are fully compliant with payroll legislation, where an employee is currently paid below the new NMW rate, we will automatically increase your employees' hourly rate of pay to the minimum legislative requirement. We will ensure directors are paid a Tax Efficient Salary.

When will the new rates be applied to my payroll?

The new NMW rates apply when the 1st April 2021 falls into your 'pay reference period'.

Your pay reference period is the period that your employees worked the hours in which you are paying them for.

For example, on Friday 9th April 2021, you are paying your employees for the hours worked during Monday 29th March 2021 to Sunday 4th April 2021. This week is your pay reference period. As the 1st April 2021 falls within this period, the new NMW rates will apply from this week.

Tax efficient director salaries will be actioned from 6th April 2021.

Do the new National Minimum Wage rates impact my employees furlough pay?

Where an employee is paid under the COVID-19 Job Retention Scheme, furlough, the furlough amount will not change. Only hours worked by an employee are subject to the NMW rates, furlough will continue to be paid as historically calculated.