

FACTSHEET 5

The National Living Wage and the National Minimum Wage

The National Living Wage is the minimum pay per hour that all employees must be paid by law for those **23** and over. The rates change in April each year.

The National Minimum Wage is the minimum pay per hour for those younger employees aged under 23.

It does not matter how small your church is as an employer, or how many hours per week someone works, it is still a requirement to pay this minimum wage. However, the national rates do not take into account any regional market pay variations.

The minimum is based on the employee's age and the current rates are:

2023/24 (effective 1st April 2023)

Age	23 and over	21-22	18-20	Under 18
Hourly rate	£10.40	£10.18	£7.49	£5.28

Example: a part-time cleaner aged 33 who works 5 hours per week should be paid £52.00 per week or £2,704.00 per year.

The Government has announced that the 23 age+ rate will be £11.00 from April 2024.

2023/24 (effective 1st October 2023) The Living Wage (Living Wage Foundation)

The Church Action on Poverty (CAP) believes that churches should be at the forefront of paying a wage that addresses the reality for those on low pay rates and takes into account the needs of the individual and not just her/his value in the labour market. The Living Wage Foundation is an independent body that provides the following information:

- A voluntary hourly rate set independently and updated annually, generally in in October.
- It is not age related.
- The Living Wage is calculated according to the basic cost of living in the UK.
- Employers choose to pay the Living Wage on a voluntary basis.
- The Living Wage enjoys cross party support.
- Paying the Living Wage is good for business, good for the individual and good for society.

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- The Living Wage Employer Mark and Service Provider Recognition Scheme provides an ethical badge for responsible pay.

Churches Together in Britain has said that ‘in a wealthy society like ours it is scandalous that some people in full time employment should be living close to the margin of subsistence’.

Methodists require all Methodist Churches to pay the Living Wage while the Baptists call for their churches to carefully consider paying this level. The United Reform Church recommends that all URC churches support CAP’s call to pay the Living Wage. The Church of England recommends that churches pay the Living Wage.

The Congregational Federation makes no recommendation but your church may wish to consider paying the Living Wage as a minimum.

The work of the Living Wage Foundation is supported by the Joseph Rowntree Foundation, Aviva, the Trades Union Congress and the Resolution Trust. More information about the Living Wage can be obtained from the Living Wage Foundation:

<http://www.livingwage.org.uk/calculation>

The Living Wage 2023/24 (effective October 2023)

Location	Hourly Rate	Set by:
All English Regions as well as Wales and Scotland	£12.00	The Resolution Foundation and overseen by the Living Wage Foundation
Greater London	£13.15	

For example, a full-time employee, working 40 hours per week, employed outside London, would be paid £480.00 per week or £24,960 per year.

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