Browne Jacobson

Increases to minimum wages in April 2020

The wage rises will be welcomed by the lowest paid workers but raising the minimum wage levels significantly more than the current rate of inflation will increase pressures on employers.

31 December 2019

The National Living Wage - which applies to all workers over 25 - is set to rise to £8.72 an hour from April 2020, a rise of 6.2%. The Government has also announced increases to the National Minimum Wage:

- For 21 to 24 year olds: up 6.5% to £8.20 an hour.
- For 18 to 20 year olds: up 4.9% to £6.45 an hour.
- For under 18s: up 4.6% to £4.55 an hour.
- For apprentices: up 6.4% to £4.15 an hour.

The Government has also confirmed that it will press ahead with recommendations made by the Low Pay Commission to extend the National Living Wage to workers over 21, and to increase the National Living Wage to £10.50 an hour, both by 2024.

The wage rises will be welcomed by the lowest paid workers but raising the minimum wage levels significantly more than the current rate of inflation will increase pressures on employers, particularly with remaining economic uncertainties over Brexit. Both the British Chamber of Commerce and the Federation of Small Businesses have warned that the rises may impact recruitment and investment and are seeking further support for businesses and a reduction of business costs in other areas.

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