Biggest Ever Increase to National Living Wage Comes Into Effect

Publication info: Targeted News Service; Washington, D.C. [Washington, D.C]01 Apr 2019.

ProQuest document link

FULL TEXT

Her Majesty's Treasury issued the following news release:

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- 1.8 million workers earning the National Living Wage will receive an additional pound sterling690 over the year from today.
- Full-time workers receiving National Living Wage will be more than pound sterling2,750 better off a year compared to 2015, when the rate was first announced
- the National Living Wage will go up today by the highest rate since it was first introduced, increasing by almost 5% to pound sterling8.21 per hour
- 2.1 million workers set to benefit from minimum wage increases, including almost 800,000 retail and hospitality workers
- increases to the minimum wage rates form part of government's commitment to protect the UK's lowest paid workers through its modern Industrial Strategy

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1.8 million workers earning the National Living Wage (NLW) will receive an additional pound sterling690 over the year from today (Monday 1 April), as the biggest ever increase to NLW comes into effect.

The National Minimum Wage (NMW) is also increasing. This includes pound sterling 7.70 per hour for 21 to 24-year olds, providing an additional pound sterling 580 over the year for full-time workers, and pound sterling 6.15 for 18 to 20-year olds, providing full-time workers with an additional pound sterling 455 over the year. Taken together with changes to NLW, 2.1 million people will be receiving a pay increase from today, with workers in the retail and hospitality sectors due to benefit the most.

Business Minister Kelly Tolhurst said:

We are committed to making sure that UK workers get a fair day's pay and the rise in the National Living and Minimum Wage, benefiting millions of people, delivers on this commitment.

Since the National Living Wage was announced in 2015, it has helped protect the lowest paid - increasing faster than inflation and average earnings. Our minimum wage rates are among the highest in the world and, through our modern Industrial Strategy, we are determined to end low pay and workers get a fair day's pay for a fair day's work. Chancellor of the Exchequer, Philip Hammond, said:

This government is dedicated to increasing the wages of the lowest paid which is why we introduced the National Living Wage and have continued to increase the National Minimum Wage rates - all of which will rise again today and benefit millions of workers.

This government is committed to raising productivity performance across the income spectrum, so that the wages of the lowest paid can increase sustainably over time. While the proportion of low paid jobs is now at its lowest level for 20 years, we are going further by asking Professor Arindrajit Dube, a world-leading expert in the field, to undertake a review of the international evidence of minimum wages on productivity and employment.

Low Pay Commission Chair Bryan Sanderson said:

We are pleased that millions of workers across the country will see an above-inflation pay rise as a result of today's



minimum wage increases, which follow the recommendations the LPC made in the autumn.

Today is particularly significant as it also marks 20 years of the National Minimum Wage. Over the last 20 years the NMW and more recently the NLW have achieved their goal of raising pay without significant negative effects on employment.

The UK's minimum wage is currently growing faster than other countries with similar or higher minimum wage, such as Belgium, France and Germany.

The government aims to end low pay and later this year will announce the independent Low Pay Commission's remit after 2020. At Spring Statement, ministers also announced that the world-leading academic Professor Arindrajit Dube will lead a review of the impact of minimum wages internationally.

Wage increases follow hot on the heels of the biggest increase to workers' rights in a generation, launched in 2018, and are a vital aspect of the modern Industrial Strategy.

As part of this, on 6 April all workers, including casual and zero-hour workers, will have the right to receive a payslip and the maximum employment tribunal fines for employers will quadruple from pound sterling5,000 to pound sterling20,000.

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DETAILS

Subject:	Minimum wage; Wages &salaries Wage rates; Employment
Location:	Belgium France Germany United KingdomUK
People:	Hammond, Philip
Publication title:	Targeted News Service; Washington, D.C.
Publication year:	2019
Publication date:	Apr 1, 2019
Dateline:	LONDON
Publisher:	Targeted News Service
Place of publication:	Washington, D.C.
Country of publication:	United States, Washington, D.C.
Publication subject:	Public Administration
Source type:	Newspapers
Language of publication:	English
Document type:	News
ProQuest document ID:	2200696961



Document URL: https://ezproxy.ivc.edu/login?url=https://search.proquest.com/docview/220069696

1?accountid=39837

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Last updated: 2019-04-01

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