

2020 STATUTORY RATE RISES HR SHOULD KNOW ABOUT

Make UK's HR experts share five increases to statutory rates that will take effect from April 2020...

NATIONAL MINIMUM WAGE

National minimum wage (NMW) and national living wage (NLW) rates will increase from 1 April 2020, as follows:

- The NLW for **workers aged 25** and over will increase to **£8.72** per hour (**up from £8.21**)
- The NMW for **21-24 year olds** will increase to **£8.20** per hour (**up from £7.70**)
- The NMW for **18-20 year olds** will increase to **£6.45** per hour (**up from £6.15**)
- The NMW for **16-17 year olds** will increase to **£4.55** per hour (**up from £4.35**)
- The apprentice rate for those aged under 19 or in their first year of an apprenticeship will increase to **£4.15** per hour (**up from £3.90**).

The Government has also announced plans to expand the NLW to cover workers aged 23 and over from April 2021 and those aged 21 and over within 5 years. The NLW is expected to rise to around £10.50 an hour by 2024, if economic circumstances allow.



STATUTORY MATERNITY, PATERNITY, ADOPTION AND SHARED PARENTAL PAY

Employees on maternity leave are entitled to the following statutory maternity payments:

- During the first six weeks, 90% of the employee's average weekly earnings
- For the remaining 33 weeks, either the flat statutory rate of maternity pay, or 90% of the employee's average weekly earnings (if that is lower than the statutory rate).

From 5 April 2020, the flat statutory rate of maternity pay will increase to **£151.20 per week (up from £148.68)**.

This increased rate will also apply for statutory paternity, adoption and shared parental pay. It is also the rate that will apply for employees exercising the new right to statutory parental bereavement leave, which applies from 6 April 2020 (although employees taking such leave will receive either the statutory rate, or 90% of their average weekly earnings, whichever is lower).

STATUTORY SICK PAY

From 6 April 2020, the weekly rate of statutory sick pay will increase to **£95.85** (up from **£94.25**).

Entitlement to statutory sick pay arises where an eligible employee is off work sick for 4 consecutive days or more and is payable for up to 28 weeks' sickness absence in any period of incapacity for work.



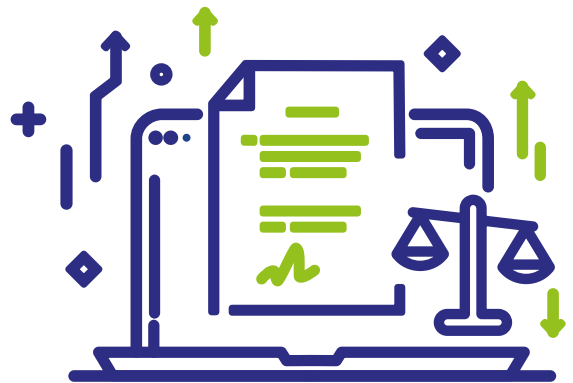
CAP ON A WEEK'S PAY FOR CALCULATING STATUTORY REDUNDANCY PAY

From 6 April 2020, the cap on a week's pay which applies for the purposes of calculating statutory redundancy pay will increase to **£538** (up from **£525**).

This cap is adjusted annually in line with changes to the retail prices index.

UNFAIR DISMISSAL COMPENSATORY AWARD

From 6 April 2020, the statutory limit on the amount of compensatory award an employee can receive for unfair dismissal will increase to **£88,519** (up from **£86,444**).



HOW WE CAN HELP

Make UK Members can access further information and guidance on all current statutory rates of pay in [My Resources](#) on our website.

If you're not a Make UK member and want further advice, contact our HR experts using our online [enquiry form](#) or call 0808 168 5874.

www.makeuk.org