



Ministry of  
**JUSTICE**

## **Statistical Notice**

# **Prisoners' Earnings subject to the Prisoners' Earnings Act levy**

**October 2011 – September 2012**

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## **Background**

This note provides management information from the first twelve months of prisoners' earnings being subject to the Prisoners' Earnings Act 1996 (PEA) levy. This is an update to the management information notice which was published on 29<sup>th</sup> May 2012. Routine publication of this information will be on a financial year basis through the Management Information Addendum to the NOMS Annual Report<sup>1</sup>. Next report to be published on 25th July 2013 and will cover the period 2012/13.

The PEA commenced on 26th September 2011. It enables prison governors to impose a levy of up to and including 40% on wages over £20 per week (after tax, national insurance, any court ordered payments and any child support payments) of prisoners who have been assessed as being of low risk of absconding or re-offending and allowed to work outside of prison on temporary licence, in order to prepare for their eventual release.

The PEA provides that the amounts arising from the levy can be directed to four purposes; to prescribed voluntary organisations concerned with victim support or crime prevention; into the Consolidated Fund to contribute to the prisoner's upkeep; to the prisoner's dependants; or to an investment account held on the prisoner's behalf. Ministers decided that all the funds generated by the imposition of the levy would be paid to voluntary organisations, and prescribed Victim Support for this purpose. The money is being used by Victim Support to provide direct, practical, paid for services such as emergency vouchers for food, enhanced home security and professional counselling.

### **Prisoners subject to the Prisoners' Earnings Act levy**

The number of prisoners subject to the Prisoners' Earnings Act 1996 (PEA) levy, the net earnings and amounts raised from the levy are set out in the tables below.

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<sup>1</sup> [www.justice.gov.uk/statistics/prisons-and-probation/prison-probation-performance-info](http://www.justice.gov.uk/statistics/prisons-and-probation/prison-probation-performance-info)

*Table 1: Prisoners' Earnings subject to the Prisoners' Earnings Act 1996: October 2011 – September 2012*

<b>Total number of active prisoners <sup>(1)</sup></b>	<b>Total Net Earnings <sup>(2)</sup></b>	<b>Total raised through Prisoners' Earnings Act levy <sup>(3)</sup></b>
<b>1007</b>	<b>£2,494,347</b>	<b>£757,906</b>

*Table 2: Average Prisoners' Earnings per month subject to the Prisoners' Earnings Act 1996: October 2011 – September 2012*

<b>Average number of active prisoners per month <sup>(1)</sup></b>	<b>Average Net Earnings per prisoner per month (Before levy) <sup>(2)</sup></b>	<b>Average raised per prisoner per month through Prisoners' Earnings Act levy <sup>(3)</sup></b>	<b>Average Net Earnings per prisoner per month (After levy) <sup>(2)</sup></b>
<b>311</b>	<b>£669</b>	<b>£203</b>	<b>£466</b>

- By end of September 2012, nearly £758,000 had been raised from the imposition of the levy on prisoners' earnings to be paid to Victim Support.
- During the twelve months to September 2012, there were a total of 1007 active prisoners, on average 311 prisoners per month, working out of the prison on licence and subject to the Prisoners' Earnings Act levy.
- These prisoners had average net earnings of around £669 a month, from which £203 a month was raised from the imposition of the levy on prisoners' earnings to give adjusted average earnings of £466 per month.

#### **Notes**

1. Active prisoners are those working out of the prison on licence and subject to the Prisoners' Earnings Act levy. Prisoners may not have worked or been subject to the levy in every month.
2. Net Earnings are after tax, national insurance, any court ordered payments and any child support payments. Prisoner earnings vary considerably depending on hourly rates and hours worked; therefore there will be large variations in the amount each prisoner contributes, depending on their earnings. For a prisoner working full time on the national minimum wage levies through the PEA would be approximately £65 a week or approximately £3000 per year.

3. The levy on prisoners' earnings can be adjusted at an establishment level, for example, to account for additional costs to the prisoner such as travel costs and financial hardship.
4. Information on Prisoners' Earnings is from the following establishments: Askham Grange, Blantyre House, Brixton, Buckley Hall, Downview, Drake Hall, East Sutton Park, Ford, Grendon & Springhill, Hatfield, Hewell, Hollesley Bay, Huntercombe, Kirkham, Kirklevington Grange, Leyhill, North Sea Camp, Northallerton, Norwich, Prescoed, Ranby, Reading, Send, Shrewsbury, Stanford Hill, Styal, Sudbury, Thorn Cross and Wymott.
5. Total Net Earnings have been rounded to nearest thousand pounds.
6. Data has been drawn from administrative IT systems. Although care is taken when processing and analysing the data, the level of detail collected is subject to the inaccuracies inherent in any large-scale recording system.

#### **Contact details and further information**

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