



Department for
Business & Trade

NATIONAL MINIMUM WAGE AND NATIONAL LIVING WAGE

Low Pay Commission Remit 2024

July 2024



© Crown copyright 2024

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3 or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gov.uk.

Where we have identified any third-party copyright information you will need to obtain permission from the copyright holders concerned.

Any enquiries regarding this publication should be sent to us at:

nationalminimumwage@businessandtrade.gov.uk

National Living Wage and National Minimum Wage: Low Pay Commission Remit 2024

The Government is committed to making work pay and protecting the lowest earners in our society. The National Minimum Wage was introduced in April 1999, and has been one of the most successful economic policy interventions over the last quarter of a century. Despite recent increases to the minimum wage rates, working people have faced the brunt of an unprecedented cost of living challenge. It is therefore more important than ever that we protect and boost low earnings, whilst maintaining competitiveness and protecting the UK's economy as a whole.

National Living Wage and National Minimum Wage Rates

The Government is determined to deliver a genuine living wage, backed by evidence and consistent with delivering inclusive growth for working people and competitive businesses across the UK. We ask the Low Pay Commission to recommend a National Living Wage which should apply from April 2025. This should take into account the impact on business, competitiveness, the labour market, the wider economy and the cost of living, including the expected annual trends in inflation between now and March 2026. The Low Pay Commission should ensure that the rate does not drop below two-thirds of UK median earnings for workers aged 21 and over, a recognised measure of low hourly pay.

The Government is committed to ensuring that every adult worker benefits from this genuine living wage, and we will remove discriminatory age bands for adults. In the interim, we ask that the Low Pay Commission recommends a National Minimum Wage rate that should apply to 18–20-year-olds from April 2025. This should continue to narrow the gap with the National Living Wage, taking steps year by year in order to achieve a single adult rate. This ambition should be pursued while also taking into account the effects on employment of younger workers, incentives for them to remain in training or education and the wider economy.

The Government also asks the Low Pay Commission to monitor and evaluate the levels of the other National Minimum Wage rates (under 18 and apprentice rates) and make recommendations on the increases it believes should apply from April 2025 so that the rates are set as high as possible without damaging the employment prospects of each group.

In addition, we ask the Low Pay Commission to recommend the accommodation offset rate that should apply from April 2025.

The Government notes that the Low Pay Commission will continue to expand its evaluation capabilities and commission minimum wage research from leading experts, using new methods and sources of evidence for its assessment of the impact of the National Living Wage.

To further expand the evidence base, the government asks the Low Pay Commission to continue to gather particular evidence on groups of low paid workers with protected characteristics.

Additionally, we ask the Low Pay Commission to continue to gather evidence on the differing impact across the United Kingdom of increases to the minimum wage rates, to inform how the minimum wage helps to deliver greater prosperity and living standards for working people in all areas of the UK.

Timing

The Low Pay Commission is asked to provide a final report in response to this remit to the Prime Minister and the Secretary of State for Business and Trade by the end of October 2024.