



Holiday reforms and wage increases

Guidance for holiday pay changes

A reminder that reforms to the Working Time Regulations to simplify holiday entitlement and holiday pay calculations are now live.

To help employers get to grips with the new rules – which mostly focus on how pay should be calculated for part-year and irregular hours workers – the government has published online guidance.

Most of the changes apply from leave years beginning on or after 1 April 2024, including the introduction of a new accrual method for irregular hours workers and part-year workers of 12.07% of their actual hours worked in a pay period.

However, some changes applied from 1 January, including changes relating to the amount of leave affected workers can carry over into the following year and the removal of regulations that allowed workers to carry over leave that could not have been taken because of the Covid-19 pandemic.

The holiday pay guidance also sets out the definitions for an irregular hours worker and

part-year worker, and can be found on the gov.uk website at: <https://tinyurl.com/yr77r3u9>

Minimum wage increases

From April 2024, the minimum wage, also known as the National Living Wage, increased by over a pound an hour to £11.44 per hour. The increase applies from 1 April, or the first full pay reference period on or after that date.

Eligibility for the National Living Wage was also extended by reducing the age threshold to 21-year-olds for the first time.

Minimum wage rates have increased to £8.60 per hour for 18- to 20-year-olds. The apprentice rate continues to be aligned to the 16- to 17-year-old rate, which is £6.40.

In February 2024, the Department for Business and Trade named more than 500 employers that had failed to pay the minimum wage. The businesses were ordered to repay workers and faced an additional financial penalty.

