On 25th November, Chancellor George Osborne delivered his Autumn Statement to Parliament. The statement reviewed the United Kingdom’s economic performance over the previous year and forecasted its future viability, as well as outlined several taxation changes. While the following is not a comprehensive list of all the topics in the statement, it does highlight those which are specific to businesses:

- **A rise in the basic state pension:** Beginning in April 2016, the basic state pension will rise to £119.30 per week.
- **A reduction in the cost of green improvements:** Beginning in April 2017, a new, cheaper energy supplier obligation will come into force in an effort to reduce carbon emissions. This is predicted to lower annual energy bill costs by £30 by the year 2017.
- **Details released about the Apprenticeship Levy:** The Apprenticeship Levy will come into force in April 2017, at a rate of 0.5 per cent of an employer’s pay bill. Additionally, the levy will only affect employers that earn at least £3 million annually.
- **Expanded flood protection for homes:** The government will spend an estimated £2.3 billion on more than 1,500 flood defence schemes across the country.
- **Motorists will no longer be able to receive cash compensation for minor whiplash claims:** To reduce the number of fraudulent whiplash claims, the government is ending the right to cash compensation. Additionally, more injuries will be allowed to go through small claims court and the upper limit for these claims will be increased to £5,000. These changes are expected to reduce the annual cost for motor insurance policies by £40.
- **Strengthening of local growth and enterprise zones:** The government will invest £12 billion in order to encourage the growth of local businesses and to extend the 26 Enterprise Zones that are already established.

The national minimum wage (NMW) is the minimum hourly pay that almost all workers are entitled to by law. However, your company may be inadvertently not paying your employees the NMW. Here is a list of six common ways in which your company may be failing to comply:

1. **Unpaid interns**: While the use of unpaid interns may be a common practice in some industries, it is not always legal. Only organisations with a specific exemption, such as charities, can have unpaid workers.

2. **Workers mislabelled as ‘self-employed’**: Mislabelling self-employed workers can be costly, as they are not entitled to the NMW. As an employer, it is important to pay close attention to the proper legal status of workers to avoid any issues.

3. **Benefit in kind and deductions**: An employer may make deductions from a worker’s pay in order to cover the cost of items necessary for the position, but the NMW will be reduced as a result. If deductions are made, ensure that workers still receive the NMW.

4. **Overtime**: During periods of increased working hours, worker hours must be closely monitored to ensure that workers are paid the correct overtime rate.

5. **Commission**: For employers that rely on commission payments to fulfil the NMW requirements, they must verify that their workers’ pay reflects the correct amount.

6. **Salary sacrifice**: Some alterations to an employment contract can inadvertently reduce basic pay below the NMW. If employment contracts are adjusted, ensure that the NMW remains intact.

As the NMW generally rises each year in October, worker wages must be adjusted to accommodate that change. Contact LI Insurance Services to learn how you can remain compliant.

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**National Living Wage vs National Minimum Wage**

<table>
<thead>
<tr>
<th>National Living Wage (NLW)</th>
<th>National Minimum Wage (NMW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The legal minimum an employer can pay per hour starting April 2016</td>
<td>The legal minimum an employer can pay per hour</td>
</tr>
<tr>
<td>The NLW rate will be £7.20 per hour starting April 2016</td>
<td>The NMW rate is currently £6.70 an hour</td>
</tr>
<tr>
<td>From April 2016, applies to workers aged 25 and older</td>
<td>From April 2016, applies to workers aged 24 and younger</td>
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