



With effect from 6 April 2018 employers and employees will be required to increase the level of contributions to automatic enrolment pension schemes. All employers should now have in place an automatic enrolment pension scheme for their employees. Employers are required to enrol their employees in their scheme unless the employee opts out. The level of contributions required into these schemes is increasing from 6 April 2018. From that date employers will be required to contribute a minimum of 2% of employees pay to the scheme and employees will be required to

contribute a minimum of 3%. The rates are currently 1% for each. These rates will increase again from 6 April 2019.

Employers who do not have in place an automatic enrolment pension for their staff face significant penalties from the Pensions Regulator.



A further increase to hit employers is the increase in the National Minimum Wage which takes effect from 1 April 2018. The table below sets out the increases which take effect next month:

Year	25 & Over	21 to 24	18 to 20	Under 18	Apprentice
April 2017 (current rate)	£7.50	£7.05	£5.60	£4.05	£3.50
April 2018	£7.83	£7.38	£5.90	£4.20	£3.70

Apprentices are entitled to the apprentice rate if they are either aged under 19 or are aged 19 or over and in the first year of their apprenticeship.

An apprentice aged 22 who has completed the first year of their apprenticeship is entitled to the minimum hourly rate of their age group.

The accommodation offset, which has an impact on National Minimum Wage and National Living Wage, is also being changed from 1 April 2018. Please see the new rates in the table below:

Year	Daily accommodation offset rate	Weekly accommodation offset rate
April 2018	£7	£49