

LIVING WAGE

● FOR THE

REAL

COST OF

LIVING



WHAT IS THE LIVING WAGE?

The Living Wage is an hourly rate of pay, independently calculated each year based on the real cost of living in the UK and London.

In 2001 families came together and started a campaign to be paid a real Living Wage. Since then hundreds of thousands of families have benefited and been able to earn a wage they can live on.

Thousands of employers choose to go further than the government minimum and voluntarily pay the real Living Wage to all of their staff including their contracted staff. This has meant a pay rise for over 150,000 employees and their families.

The Living Wage Foundation celebrates employers that sign up for accreditation by awarding them the mark of a responsible employer.



- The real Living Wage is independently-calculated based on what employees and their families need to live.
- That is why it is higher than the minimum wage.
- Employers voluntarily choose to pay it, changing people's lives right now.
- The real Living Wage includes a UK rate and a separate London rate that reflects the higher costs of living in the capital.
- It applies to all workers over 18.

WITH THANKS TO OUR PRINCIPAL PARTNERS



BURBERRY

Resolution Foundation



Linklaters





WHO ELSE PAYS THE LIVING WAGE?

Our Living Wage movement is made up of a wide range of businesses and organisations in every type of sector. We have a butcher, a baker and a candlestick maker as well as a large number of FTSE 100 companies and household names like; IKEA, Nationwide, Aviva, Everton and Chelsea Football Clubs, Majestic Wine, LUSH, the House of Commons and many more.



AVIVA

Paying the Living Wage makes absolute sense to us as an organisation – it's part of our aim of being an employer of choice which helps us to protect the long term success of our business. By paying a fair wage we are able to attract and keep the best people. Aviva is proud of its support of the Living Wage Foundation.

MARIE SIGSWORTH
GROUP CR DIRECTOR



BURBERRY

We were delighted to be the first luxury retailer and manufacturer to gain full UK Living Wage accreditation not just for directly employed staff but for all third party employees in the UK as well. We are very proud of this achievement as we believe that all our employees should be treated fairly and in accordance with our ethical trading guidelines and pay is a significant part of that.

CHRISTOPHER BAILEY
CEO



JOSEPH ROWNTREE FOUNDATION

At the Joseph Rowntree Foundation and Joseph Rowntree Housing Trust we want lasting change for people and places in poverty, communities where everyone can thrive and a more equal society. We think it's vital that we practice what we preach as an employer. Our commitment to paying the Living Wage makes complete sense to us, not just because it's the right thing to do but because we also believe that staff who are valued through receiving the Living Wage are more engaged and productive.

SHAUN RAFFERTY
DIRECTOR OF CENTRAL SERVICES



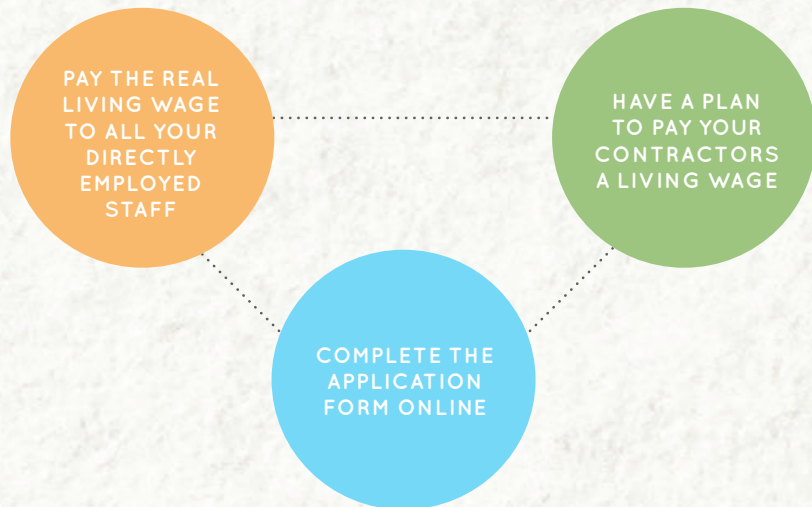
IKEA

As a values-driven business, IKEA's vision is to 'create a better everyday life for the many people'. This includes our co-workers as much as our customers. We believe in paying a meaningful wage for all of our co-workers and making a positive impact on their lives, irrelevant of their position, age or location. At IKEA, we are proud to pay the real Living Wage and view it as a worthwhile investment in our people. They are our most valuable asset, and we believe that having happy co-workers will ultimately lead to our customers receiving a great experience when they shop with us. As a large company, we also want to share our positive experiences and encourage other businesses and organisations in the UK to become real Living Wage employers.

PERNILLE HAGILD
COUNTRY HR MANAGER



HOW DO I BECOME A LIVING WAGE EMPLOYER?



www.livingwage.org.uk/become-a-living-wage-employer

WHO SHOULD RECEIVE THE LIVING WAGE?

The campaign for a real Living Wage began in East London, where cleaners and other low-paid workers were working in the offices of city firms and banks, employed through outsourced contracts. They were having to work two or three minimum wage jobs but still struggling to make ends meet.

The campaign called on businesses to recognise the important role of these 'invisible' workers within their companies and pay them a real Living Wage. Since then, not outsourcing low pay has been a key commitment when becoming an accredited Living Wage Employer.

The Living Wage applies to all directly employed staff over the age of 18 regardless of the amount of hours they work. At the very minimum, we also ask you to ensure that any third party contracted staff

who work for you for two or more hours a week, for eight consecutive weeks are paid the Living Wage, or that you have a plan in place for this. This generally includes your cleaners, security and long term temporary workers.

The first step is finding out from your supplier or building manager if the workers are paid the Living Wage and explaining your commitment as a Living Wage Employer. The Living Wage Foundation has template letters and can help you with this negotiation.

If this is not possible immediately, or you need to wait for existing contracts to end, we ask you to commit to target dates for these changes called 'milestones' and these are built into your license agreement. Please contact us for further guidance.

WHY PAY THE REAL LIVING WAGE?

“SINCE I STARTED BEING PAID THE LIVING WAGE I HAVEN'T HAD TO WORRY ABOUT IF I CAN PAY THE BILLS AND MORE IMPORTANTLY THAN THAT, I GET TO SPEND TIME EVERYDAY WITH MY MUM AND DAUGHTER AND I'M NOT FALLING ASLEEP ON THE SOFA AS SOON AS I GET IN. I EAT BETTER, I SLEEP BETTER AND I'M MUCH LESS STRESSED.”

LINDA
CARER



DO YOU KNOW THE DIFFERENCE IT MAKES?

“Spending more quality time with my children”

“Saving a little for an emergency or a rainy day”

“Not having to worry about affording the basics”

WHAT ARE THE BENEFITS OF BECOMING ACCREDITED?



Accredited employers display the Living Wage Employer Mark on their materials and in their buildings.

- We will provide you with guidance on paying the Living Wage, including best practice on how to implement the rate increases and work with third party organisations.
- We will celebrate your accreditation and work with you on publicity and media. We will also keep you up to date with news about the Living Wage campaign, and the rates.
- You will be included in the publicly available list of Living Wage Employers, meaning that consumers, prospective employees, or grant makers can easily find you.
- You will become part of a thriving network of UK employers that support and promote the Living Wage.



When are the rates announced and when do I have to implement?

The rates are announced on Monday of the first week of November each year. Employers should implement the rise as soon as possible and within 6 months. All employees should receive the new rate by 1st May the following year.

Where does the London Living Wage rate need to apply?

The London rate is calculated annually by the Resolution Foundation and overseen by the Living Wage Commission, based on the best available evidence about living standards in the capital. It covers workplaces in all boroughs in Greater London. You can find out if your workplace postcode is in a London Borough here: www.gov.uk/find-local-council

How much does it cost to be accredited?

The cost varies according to the size of your organisation, starting at £60 per year for those with fewer than 10 employees. For full details of the costs please contact us via the enquiry form at www.livingwage.org.uk/become-a-living-wage-employer

How long does it take to be accredited?

It will vary according to the size of your organisation and the types of contracts you have. Some employers can complete their application form straight away and we will aim to process their accreditation within ten working days. Others may have a project of work to do to identify which contracts are relevant and when they are due for renewal. Large organisations can often be accredited within 6 months.

What is the accreditation process?

The accreditation is a signed licence between the Foundation and the employer. In order to receive a licence and become accredited please fill in an enquiry form at www.livingwage.org.uk/become-a-living-wage-employer

We will send you a link to an online licence form and a guide to implementing the Living Wage. Once you have ensured your organisation satisfies the requirements please complete and submit the online form. Please note that this will require an online signature.

When we receive your licence and are sure you understand the requirements of being a Living Wage Employer, we will process your accreditation. We aim to do this within ten working days, but occasionally the volume of accreditations means this may take us slightly longer. You will then receive a confirmation email welcoming you to our network, along with a copy of our logo to use and other materials to celebrate your commitment.

Who does the Living Wage apply to?

The Living Wage applies to all directly employed staff over the age of 18 regardless of the number of hours they work.

For third party contractors the exact definition is those who work regularly on your premises, or premises necessary to the work being carried out, for 2 or more hours a day, in any day of the week, for 8 or more consecutive weeks of the year.

The Living Wage does not apply to contractors that supply your organisation with products e.g. stationary suppliers.

FAQS



We recommend that you communicate your Living Wage commitment to everyone you do business with, and encourage them to consider implementing the Living Wage.

What about third party contracted staff?

In order to be accredited an employer must pay all directly employed staff the Living Wage and have an agreed plan in place for third party contracted staff such as contracted catering, cleaning, security, parks or ground staff. Where contracted staff cannot be moved onto the Living Wage immediately, organisations can choose to roll out the Living Wage across third party contracts over time, as the contracts come up for renewal. This is called phased implementation. The contracts are included in the licence agreement as 'milestones'. The Foundation will check in with you periodically to ensure the milestones are on track.

What about self-employed workers?

For the purposes of Living Wage accreditation self-employed workers are treated the same as sub-contracted workers. This means that if they work on your premises for more than two hours for eight consecutive weeks they must be paid the Living Wage.

This also applies to workers and contractors who do not have a fixed place of work but are part of the core workforce, such as couriers in a delivery company or home care workers.

What about apprentices and interns?

Statutory apprentice wages are lower than the minimum wage as a contribution to the cost of training, particularly in the earlier stages where apprentices may spend more time training than working. For the same reason we do not require apprentices to be paid the Living Wage. However, it is good practice to ensure pay rises over the course of the apprenticeship, and many accredited employers have chosen to extend the full Living Wage to apprentices.

'Intern' is not a recognised legal term and some unpaid interns may actually be workers and therefore entitled to the minimum wage. Employers using interns should have an internal policy statement and follow the government's best practice guidance relating to the minimum wage, work experience and internships.

What is phased implementation?

In order to be accredited an employer you must pay all directly employed staff the Living Wage and have an agreed plan in place for third party contracted staff such as contracted catering, cleaning, security, parks or ground staff. Phased implementation means that the Living Wage is rolled out across third party contracts over time, as the contracts come up for renewal. These contracts are included in the licence agreement as 'milestones'. The Foundation will check in with you periodically to ensure the milestones are on track.

Don't see the information you need here? Visit the FAQs page on our website for more information: www.livingwage.org.uk/faqs



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