



GLAA Brief

Issue 87 – April 2025
Charge Rate Guidance

This Brief publishes the latest guidance on indicative minimum charge rates between labour providers and labour users, effective from 1 April 2025. This Brief replaces GLAA Brief 83.

Please be aware this brief does not include the 2025 figures for Scotland, Northern Ireland, and Wales as they have not yet been released.

Introduction

This indicative guidance sets out the minimum charge rates to apply between a labour provider and labour user. The rates cover statutory requirements as well as a basic overhead. This latest guidance takes account of new national minimum/living wages, increased labour sourcing and retention costs and Scotland, Wales, and Northern Ireland agricultural minimum wage increases.

These rates are effective from April 2025. The rates do not include any margin for a labour provider's profit. The figures have been compiled for the GLAA by the Association of Labour Providers (ALP). This Brief replaces GLAA Brief 83.

The figure for Overhead and Service Charge Costs is indicative only and will vary with each contract depending on the efficiency of a labour provider and the particular circumstances of the client and site to which labour is supplied. The actual rate charged is a commercial agreement between the labour provider and user. Any agreed rate should take into account the particular costs of supply. Charge rates lower than those in the rates tables **plus a sustainable net margin** may indicate illegal activity - unless there is a legitimate and demonstrable explanation.

NATIONAL MINIMUM WAGE AND NATIONAL LIVING WAGE	Apprentices	Age 16-17	Age 18-20	Age 21-22	Age 21 + w/ RHP
1. Minimum wage	£7.55	£7.55	£10.00	£12.21	£13.68
2. Employers' National Insurance ("NI") Contributions	£0.00	£0.00	£0.00	£1.47	£1.69
3. Annual Holiday Pay (5.6 weeks entitlement)	£0.91	£0.91	£1.21	£1.68	£0.00
4. Apprenticeship Levy (for businesses with over £3m pay bill)	£0.04	£0.04	£0.06	£0.07	£0.07
5. Pensions Auto-Enrolment Cost (3% of qualifying earnings)	£0.00	£0.00	£0.00	£0.28	£0.32
6. Total Wage Costs	£8.50	£8.50	£11.26	£15.71	£15.77
7. Guideline Statutory Sick/Maternity Pay cost	£0.13	£0.13	£0.13	£0.13	£0.13
8. Guideline Minimum Labour Provider Overhead & Service Cost	£1.37	£1.37	£1.37	£1.37	£1.37
9. Hourly Cost of Supply (not including Labour Provider Margin)	£10.00	£10.00	£12.76	£17.21	£17.27

WALES AGRICULTURAL EMPLOYEES	Apprentices Yr1	A1 Age 16-17	A2 Age 18-20	A3 Age 21-22	B3 Age 21+
1. Minimum wage	£7.55	£7.55	£10.00	£12.21	£12.59
2. Employers' NI Contributions	£0.00	£0.00	£0.00	£1.47	£1.53
3. Annual Holiday Pay (5.6 weeks entitlement)	£1.02	£1.02	£1.35	£1.89	£1.95
4. Apprenticeship Levy (for businesses with over £3m pay bill)	£0.04	£0.04	£0.06	£0.07	£0.07
5. Pensions Auto-Enrolment Cost (3% of qualifying earnings)	£0.00	£0.00	£0.00	£0.28	£0.32
6. Total Wage Costs	£8.62	£8.62	£11.41	£15.92	£16.47
7. Guideline Statutory Sick/Maternity Pay cost	£0.13	£0.13	£0.13	£0.13	£0.13
8. Guideline Minimum Labour Provider Overhead & Service Cost	£1.37	£1.37	£1.37	£1.37	£1.37
9. Hourly Cost of Supply (not including Labour Provider Margin)	£10.12	£10.12	£12.91	£17.42	£17.97

SCOTLAND AGRICULTURAL EMPLOYEES		All Ages
1. Minimum wage		£12.21
2. Employers' NI Contributions		£1.47
3. Annual Holiday Pay (28 days entitlement)		£1.68
4. Apprenticeship Levy (for businesses with over £3m pay bill)		£0.07
5. Pensions Auto-Enrolment Cost (3% of qualifying earnings)		£0.28
6. Total Wage Costs		£15.71
7. Guideline Statutory Sick/Maternity Pay cost		£0.13
8. Guideline Minimum Labour Provider Overhead & Service Cost		£1.37
9. Hourly Cost of Supply (not including Labour Provider Margin)		£17.21

NORTHERN IRELAND AGRICULTURAL EMPLOYEES (rates to be confirmed)			Age < 21	Age 21-22
1. Minimum wage			£10.00	£12.21
2. Employers' NI Contributions			£0.00	£1.46
3. Annual Holiday Pay (5.6 weeks entitlement)			£1.21	£1.68
4. Apprenticeship Levy (for businesses with over £3m pay bill)			£0.06	£0.07
5. Pensions Auto-Enrolment Cost (3% of qualifying earnings)			£0.00	£0.27
6. Total Wage Costs			£11.26	£15.70
7. Guideline Statutory Sick/Maternity Pay cost			£0.13	£0.13
8. Guideline Minimum Labour Provider Overhead & Service Cost			£1.37	£1.37
9. Hourly Cost of Supply (not including Labour Provider Margin)			£12.76	£17.20

Definitions and Explanations

The numbers below refer to the numbered charge elements in the rates tables above:

1. The hourly minimum rate represents the **National Minimum/Living Wage** and **Agricultural Minimum Wage** for grade 1 (or equivalent) workers on commencement.

Overtime is calculated differently and has too many variables to provide an example here. Please choose 'Overtime' in the Category drop down on the [Online Charge Rate Calculator](#) to calculate both costs and charge rates for overtime.

Agricultural rates are paid in **Scotland, Wales, and Northern Ireland**, and have different rates, allowances, overtime, sick pay, and holiday pay rules. The main differences are laid out below, but employers should familiarise themselves with the detail of the appropriate agricultural wages order by clicking on the link on each country.

There is a single minimum rate of pay for agricultural workers in Scotland, irrespective of age, hours worked or type of work. Workers with appropriate qualifications are entitled to an additional sum of at least £1.83 per hour. During the first 26 weeks service, overtime must be paid at time and a half after 8 hours a day or 48 hours a week; after 26 weeks service, overtime must be paid after 8 hours a day or 39 hours a week.

Agricultural workers in Wales are paid at a rate equivalent to NMW/NLW until they reach a B3 category, when the rates differ. They must be paid overtime at time and a half after 39 hours or after their basic weekly contractual hours have been completed and on public holidays.

The rate increases in Northern Ireland after 40 weeks' service for workers aged under 21. Overtime must be paid at a minimum of time and a half after 39 hours of work.

2. For workers aged 21 plus, **Employer's National Insurance Contributions (ENIC)** must be paid at 15% on earnings above the secondary threshold of £96.00 per week for workers aged above 21. The first £96.00 is NI free. For workers aged under 21, there is no ENIC paid on earnings up to £967 a week (the 'Upper Secondary Threshold'). The NI figures are based on 40 hours worked per week other than in agriculture in Northern Ireland where it is 39 hours. If a worker works fewer than 40 hours in a week, the labour provider's NI cost will be correspondingly lower. Conversely, if a worker exceeds 40 hours, the NI cost will be higher. Labour providers should calculate NI contributions based on the normal basic weekly hours and reflect the expected level of variance in the invoice rate.

3. Holiday Pay

All workers are entitled to at least 5.6 weeks' holiday calculated at an hourly cost of 12.07% of pay plus employers' NI and pension.

Labour providers may choose to pay holiday pay when it is taken, or as part of their hourly rate (known as rolled-up holiday pay). Rolled-up holiday pay has the effect of increasing statutory costs, since it is paid in addition to normal pay, rather than instead of.

Agricultural workers in the devolved nations have some different rules on holiday pay:

- a. Agricultural workers in Scotland employed over the festive period are entitled to be paid for Christmas Day and New Year's Day, in addition to their normal holidays. This is not included in the calculation table in this document.
- b. Agricultural workers in Wales are entitled to a variable amount of "total annual holiday entitlement" depending on how many days per week they have retrospectively worked.

Based on a 5-day week, workers are entitled to 31 days paid annual holiday from the first day of work equivalent to 13.54% of the hourly rate, NI, and pension.

- c. After the completion of 12 months' continuous employment with the same employer, agricultural workers in Northern Ireland are entitled to 5.8 weeks paid annual holiday equivalent to 12.29% of the relevant hourly rate, NI, and pension.
4. The **Apprenticeship Levy** applies to all employers with a payroll of over £3 million (including agency workers on contracts for services) and is a statutory charge of 0.5% on all pay elements subject to employer's NI.
5. **Pension auto-enrolment** is a statutory minimum of 3% of qualifying earnings for eligible workers who have not opted out. The calculation assumes all workers are eligible and enrolled on day one. However, most labour providers defer payment for the first three months, a proportion of workers will not be eligible, and a further proportion will opt out. Labour providers may choose to calculate their actual cost of statutory pension provision across their business or an individual client and use this more accurate costing instead. This is a matter for commercial negotiation.
6. This figure shows the actual minimum unavoidable Total Wage Costs to meet minimum legal requirements.
7. Sickness absence is estimated at an average of 8 days per year, based on **CIPD research**. The ALP estimate assumes a 30-hour average working week across the year, including weeks with no work, and accounts for statutory holiday pay accrued while a worker is off sick.

As **Statutory Sick Pay** (SSP) is not payable for the first three days of absence, the actual cost depends on both the total number of sick days and how they are distributed—whether in a single 8-day period or across multiple shorter absences. The ALP estimate is based on basic hours only. Due to variations in sick leave patterns, it should also cover the 8% of statutory maternity, paternity, adoption, and shared parental pay that labour providers must fund.

Because these calculations are estimates, labour providers may choose to charge clients for the actual cost of SSP, statutory maternity pay (SMP), and other statutory payments—along with the associated holiday accrual—when the worker takes them, rather than applying an average charge to the invoice rate. This remains a commercial decision.

8. Guideline minimum labour provider overhead & service cost - this will be different for all labour providers and is intended as an average indicative figure that allows labour providers to operate a compliant and sustainable business. It includes all business costs such as staffing, management, training, premises, IT and telecoms, insurance, payroll, and banking, and is based on payment terms of 7 days. It does not include any allowance for the cost of extended payment terms or for the provision of specific goods or services, such as transport, accommodation, or PPE.
9. This is the total hourly cost of supply **but does not include any margin to cover labour provider profit**.

Further information

1. If you have any questions regarding the figures in the above tables, please contact the ALP [Association of Labour Providers](#).
2. If you any further queries, please contact the GLAA helpline on 0345 602 5020 or email contact@glaa.gov.uk.

3. For the latest news and updates from the GLAA:



Facebook: www.facebook.com/TheGLAA

If you have received a hard copy of this Brief but would prefer electronic versions in the future, please email communications@gla.gov.uk