



Department for the  
**Economy**  
[www.economy-ni.gov.uk](http://www.economy-ni.gov.uk)

The Potential Direct Impact of the

# National Living Wage in Northern Ireland



Analytical Services Research  
**October 2016**

**SKILLS**  
TO SUCCEED



## SUMMARY

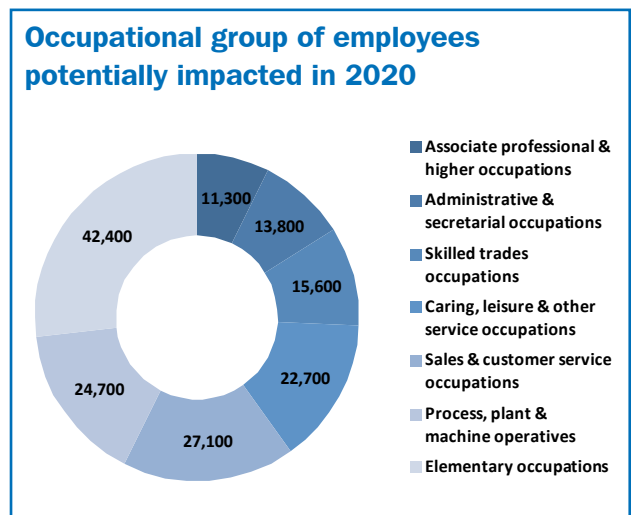
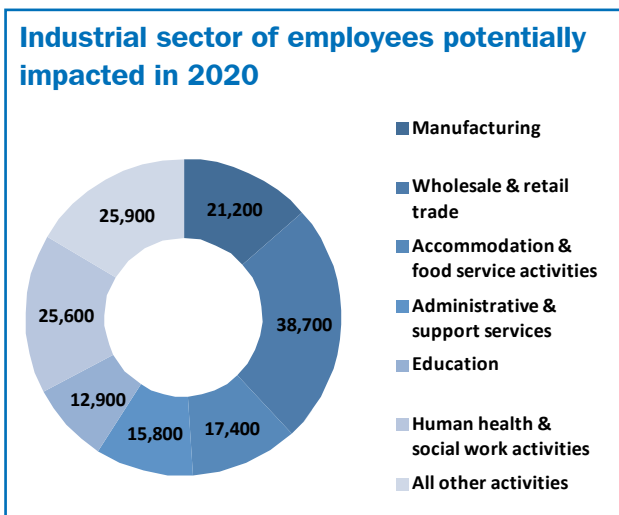
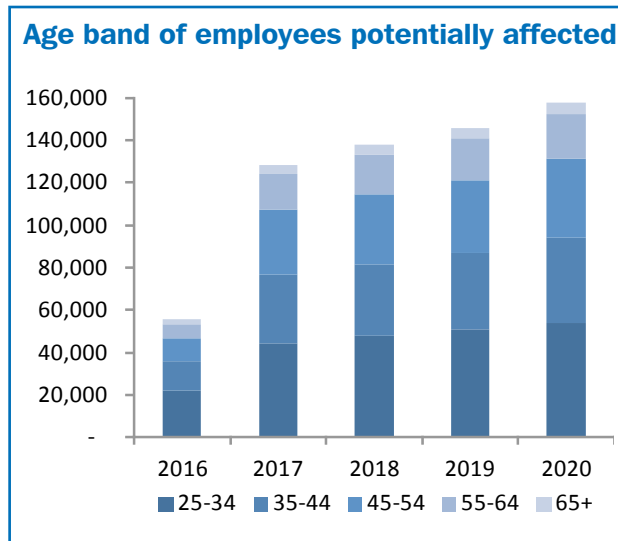
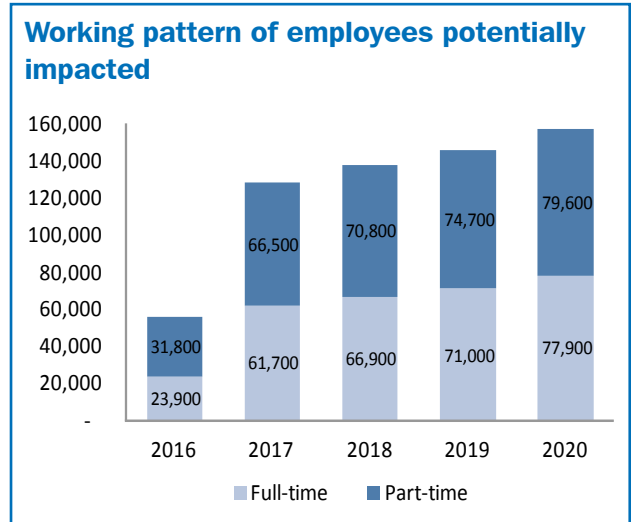
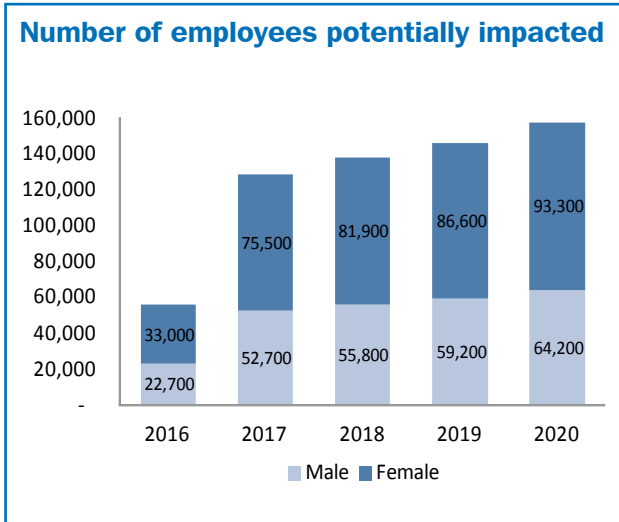
The announcement in July 2015 by the Chancellor of a new National Living Wage for employees aged 25 and over from April 2016, included an aspiration that the hourly rate of the National Living Wage should rise over time from £7.20, representing around 54% of the 2015 national median full time hourly wage, to reach a value of 60% of the median full time hourly wage by 2020.

The analyses reported here utilises Northern Ireland data from the 2015 UK-wide Annual Survey of Hours and Earnings together with wage forecasts produced by the Office for Budget Responsibility. The analyses which, for transparency and ease assume a static economy, provide an indication of the potential scale and pattern of the direct impacts that the National Living Wage could have in Northern Ireland and do not include any further assumptions as to any indirect or induced impacts reflecting potential business responses.

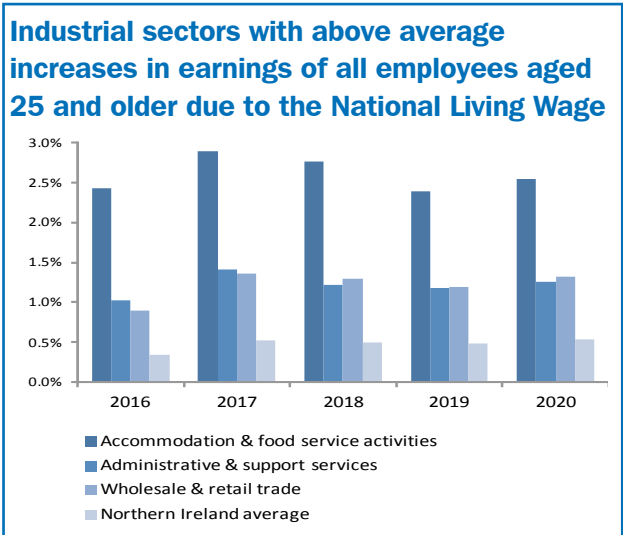
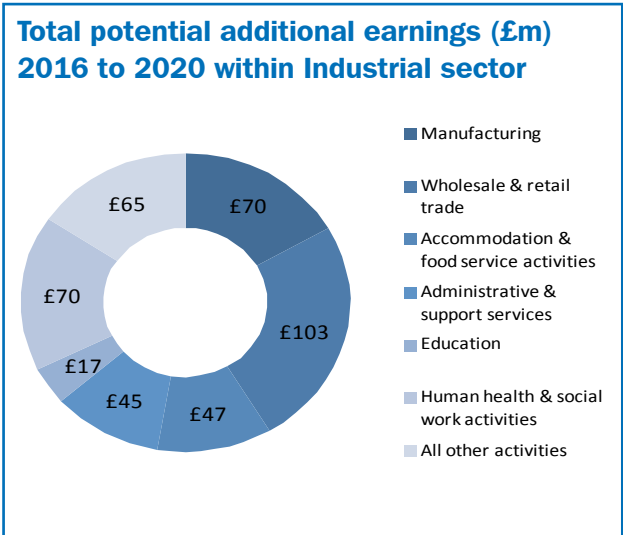
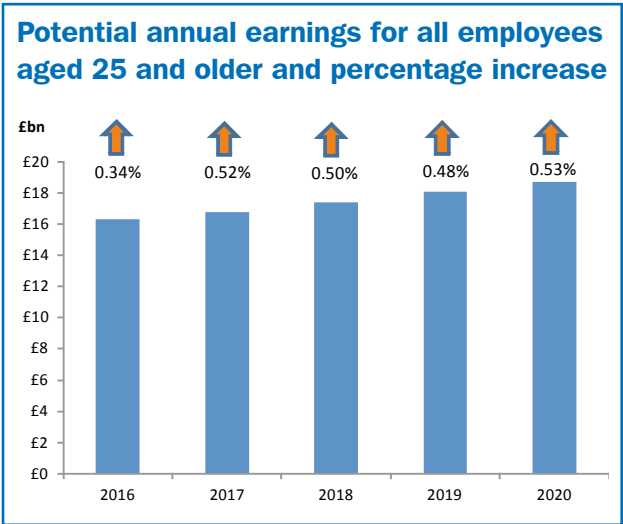
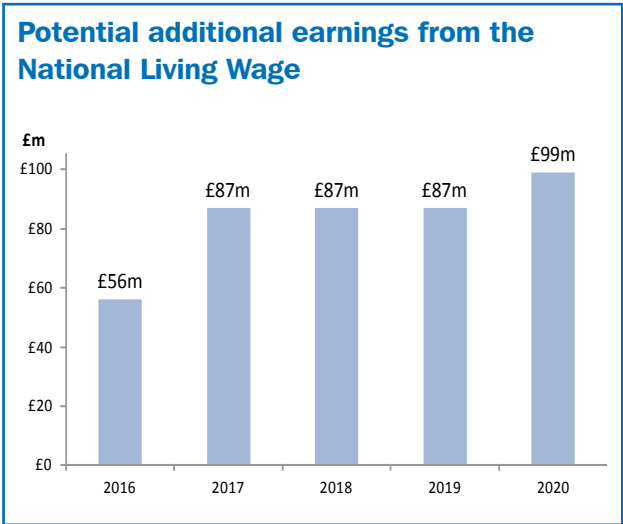
In brief, the analyses here indicate that the main direct beneficiaries of the National Living Wage will indeed be those employees that were intended to benefit, that is, employees working in lower waged, lower skilled occupations and industrial sectors, and younger employees. An increasing number of employees from around 56,000 in 2016 to potentially 158,000 by 2020 will be impacted. The potential direct annual impact of the National Living Wage on the earnings of all employees aged 25 and over will be increases of around 0.5% or less on their paybill although businesses within the accommodation and food (around 2.5%), administrative and support services (around 1.2%) and wholesale and retail sectors (around 1.2%) will see higher annual percentage increases in their paybill for all employees aged 25 and over. The National Living Wage results in annual earnings increases of around 5% for those eligible employees compared to forecast annual increases in earnings of all employees aged 25 and over of around 3%.

Overall, the analyses reported here is consistent with the UK-wide pattern of impact as described in other analytical and research work reported variously by the Office for National Statistics, the Resolution Foundation and the Low Pay Commission. For a range of factors including regional business composition, regional occupational structures and regional wage levels, the potential direct impact in Northern Ireland may be relatively greater than that seen at an overall UK level. Further econometric modelling building upon the work reported here will be completed later this year by the University of Ulster's Economic Policy Centre to provide a broader whole economy indication of potential impacts of the National Living Wage in Northern Ireland.

## The National Living Wage in Northern Ireland: Potential Employee Impact



# The National Living Wage in Northern Ireland: Potential Financial Impact



## INTRODUCTION

The Chancellor announced in the July 2015 Budget that the UK would introduce a National Living Wage (NLW) for all employees aged 25 and over to be implemented on 1st April 2016. On implementation, the NLW for those affected employees aged 25 or over and who were not in their first year of an apprenticeship, was set at the rate of £7.20 per hour. At the time of implementation, the NLW was therefore equivalent to a 50p hourly premium on the, then, existing National Minimum Wage (NMW) for those aged 21 and over which had been set at £6.70 per hour in October 2015.

While the Government set the initial 2016 NLW rate of £7.20 per hour, representing around 54% of the 2015 UK median full-time hourly wage, they additionally tasked the Low Pay Commission to advise on annual increments to the NLW for 2017 onwards in addition to existing responsibility for advising on the National Minimum Wage.

The annual incremental changes to the NLW over time are intended to reach the Government's target of 60% of the national median full-time hourly wage by 2020. Reflecting this aspiration for 2020 and based on Office for Budget Responsibility (OBR) 2015 wage increase forecasts<sup>1</sup>, by 2020, the value of the NLW would be estimated to be just over £9.00 per hour.

The NLW represented a national initiative with the possibility that both the scale and characteristics of impact could differ regionally on the basis of differences in the characteristics of regional economies. Initial investigation utilising published Annual Survey of Hours and Earnings (ASHE) earnings data for Northern Ireland for 2014<sup>2</sup> indicated that, whilst the potential pattern of impact of the NLW in terms of occupational groups and industrial sectors appeared consistent with that published elsewhere for the UK as a whole by the Resolution foundation<sup>3 4 5</sup> and the Office for National Statistics<sup>6 7</sup>, the coverage of affected employees and employers in Northern Ireland appeared potentially somewhat higher than that of the UK average impact.

In addition, recent research work published by the Low Pay Commission in March 2016 indicated that the impact of the National Living Wage is likely to vary substantially across age groups, regions, industry, occupation and firm size. The Low Pay Commission's research indicated that the NLW is likely to have a greater impact on: those who are aged 25-30 or over 60; those working in Wales, Northern Ireland and outside the South East of England; those working in low-paying occupations and sectors; and those working in small firms<sup>8</sup>.

---

1 See: [http://budgetresponsibility.org.uk/docs/dlm\\_uploads/July-2015-EFO-234224.pdf](http://budgetresponsibility.org.uk/docs/dlm_uploads/July-2015-EFO-234224.pdf)

2 See: [https://www.economy-ni.gov.uk/sites/default/files/publications/deti/ni\\_ashe\\_2014\\_bulletin-2.pdf](https://www.economy-ni.gov.uk/sites/default/files/publications/deti/ni_ashe_2014_bulletin-2.pdf)

3 See: <http://www.resolutionfoundation.org/wp-content/uploads/2015/07/RF-National-Living-Wage-briefing.pdf>

4 See: <http://resolutionfoundation.org/publications/higher-ground-who-gains-from-the-national-living-wage/>

5 See: <http://www.resolutionfoundation.org/publications/taking-up-the-floor-exploring-the-impact-of-the-national-living-wage-on-employers/>

6 See: <http://webarchive.nationalarchives.gov.uk/20160105160709/http://www.ons.gov.uk/ons/rel/regional-trends/london-analysis/estimates-of-employee-jobs-paid-less-than-the-living-wage-in-london-and-other-parts-of-the-uk/index.html>

7 See: <http://visual.ons.gov.uk/how-will-the-national-living-wage-affect-employees-and-businesses-in-the-uk/>

8 See: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/519773/National\\_Minimum\\_Wage\\_Low\\_Pay\\_Commission\\_Spring\\_2016.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/519773/National_Minimum_Wage_Low_Pay_Commission_Spring_2016.pdf)

The estimates reported here represent an attempt to quantify the potential direct impact of the implementation of the NLW in Northern Ireland from 2016 to 2020, applying forecasts for average earnings growth produced by the OBR for this period. These estimates, as with any estimate or forecast of the future, are dependent upon a number of applied assumptions. The estimates of impact reported here for Northern Ireland are direct in nature and on an ‘all other things being equal’ basis. Broader econometric approaches would be required to extend these initial direct impacts to include both indirect impacts and induced effects in order to estimate potential whole economy impacts for Northern Ireland. This additional modelling could reflect a range of potential responses by businesses to the NLW including rising prices, falling profits, offsetting productivity increases or employment reduction. The current report is therefore intended to provide an initial quantification and description of the potential direct impact of the NLW in Northern Ireland between 2016 and 2020.

## APPROACH

The data used in the analyses for this report is the Northern Ireland component of the 2015 UK-wide Annual Survey of Hours and Earnings (ASHE)<sup>9</sup>. In Northern Ireland, the ASHE sample comprises approximately 1% of all employees in Northern Ireland covered by Pay As You Earn (PAYE) schemes. The ASHE provides a wide range of information on hourly, weekly and annual earnings by gender, work pattern, industry and occupation including public and private sector pay comparisons. The Northern Ireland element of the 2015 ASHE related to employee earnings for the pay-week (or other pay-period if the employee was paid less frequently) which included 22nd April 2015. The total survey sample for Northern Ireland comprises some 6,800 returns and typically reflects a high (93.0% in 2015) response rate.

The ASHE data used in this report was collected in April 2015 and does not include changes which occurred later in 2015 when the National Minimum Wage increased from £6.50 to £6.70 in October 2015, the impact of which has been modelled within the data<sup>10</sup>.

In order to estimate the impact of the NLW into the future to 2020, two key underpinning estimates were required. Firstly, a forecast of earnings growth given that the NLW is set as a fraction of the median full-time hourly wage and secondly, the annual value of the NLW to 2020. The forecast of average earnings growth used here is that published by the Office for Budget Responsibility (OBR) in July 2015. These estimates of average earnings growth are subject to ongoing revision and change and it has been assumed here that average earnings growth applies both evenly throughout the wage distribution and regionally. The OBR estimates of actual and future average earnings growth used in this report were:

- **April, 2015 to March, 2016; OBR average earnings growth outturn: 2.3%**
- **April, 2016 to March, 2017; OBR average earnings growth forecast: 2.6%**
- **April, 2017 to March, 2018; OBR average earnings growth forecast: 3.6%**
- **April, 2018 to March, 2019; OBR average earnings growth forecast: 3.5%**
- **April, 2019 to March, 2020; OBR average earnings growth forecast: 3.4%**

Using these OBR estimates of UK earnings growth, the following NLW rates have been calculated and applied to the 2015 ASHE dataset on the assumption that annual increments to meet the aspiration of the level of 60% of the national median full-time hourly wage by 2020 are even. In practice, and with the responsibility for advising Government on annual changes to the NLW devolved to the Low Pay Commission, it is unlikely that the annual values of the NLW as used within the analyses reported here will be the actual NLW rates adopted. Nevertheless, for the analyses reported here, the following NLW rates were applied:

---

9 See: <https://www.economy-ni.gov.uk/articles/annual-survey-hours-and-earnings>

10 In March 2016, following a review, the Government concluded that changes to all Minimum Wage rates including the National Living Wage would all be aligned beginning in April 2017. Any changes made to the Minimum Wage rates for those aged under 25 in October 2016 would then be potentially subject to change in April 2017. The Low Pay Commission has been asked by the Government to report in Autumn 2016 on the level of all the Minimum Wage rates to apply in April 2017 including the National Living Wage.



- **April, 2016 actual NLW rate: £7.20**
- **April, 2017 estimated NLW rate: £7.75**
- **April, 2018 estimated NLW rate: £8.20**
- **April, 2019 estimated NLW rate: £8.62**
- **April, 2020 estimated NLW rate: £9.07**

Inevitably, actual average earnings growth and the annual value of the NLW over time may be different (to a greater or lesser extent) to those used in the current report. However, the estimates of potential future impact made in this report are intended to provide a range of stakeholders including policy makers, employers, economists and business leaders some evidenced indication of the possible scale, characteristics and cost of the direct impacts of the NLW.

In terms of the preparation of data and analyses undertaken, the broad steps included: accessing the 2015 ASHE database for Northern Ireland and clarifying terms and conditions of use; updating and applying relevant meta data; deriving appropriate analytical variables; identifying, querying and resolving any technical or data issues; and quality assuring outputs produced with both the Economic and Labour Market Statistics Branch of the Northern Ireland Statistics and Research Agency and the Office for National Statistics.

In terms of the data modelling and analyses conducted, the first step taken was to apply the NLW value of £7.20 directly to the April 2015 ASHE data to all employees aged 25 or older who earned on average (excluding overtime and shift payments) less than £7.20 per hour. Effectively, this approach reflected the impact that would have occurred if the NLW had been implemented one year earlier to those employees aged 25 or older when the National Minimum Wage level was £6.50 per hour. A range of analyses were then conducted to examine the characteristics, scale and financial impact. These analyses included the number of employees affected, their gender, working pattern, age, public/private status of employer, occupational group and industrial sector, in addition to estimates of the financial impact for those employees impacted. This first step represented an opportunity to 'pilot' the broad approach taken and an opportunity to 'sense check' the outputs with existing published research and analyses. The second step taken was to apply to the data the impact of the October 2015 National Minimum Wage change which increased the rate for all employees aged 21 and older from £6.50 per hour to £6.70 given that the ASHE data related to April 2015 and would not incorporate the October 2015 increase to the National Minimum Wage. The third step was to annually inflate earnings using the OBR estimates of average earnings growth for 2017 to 2020 with the assumption that those previously paid at the NLW would continue to be paid at the NLW rate and to then apply the assumed NLW hourly rate for each year between 2017 and 2020. For each year, analyses were re-run in terms of extrapolating the characteristics, scale and financial impact for each year. No other adjustments reflecting any other assumptions were made to the data in making these forecasts on the basis that keeping the number of assumptions to an absolute minimum would result in a more transparent and simpler outcome which would also make the output more amenable, in turn, for any subsequent econometric estimation of impact.

The cohort of employees sampled for the 2015 Annual Survey of Hours and Earnings was effectively treated as a stable population of employees, or base case, with which to estimate the potential direct impacts of the NLW over time on an ‘all other things being equal’ basis. For example, no assumptions were made or modelled in relation to potential aging effects, stocks or flows in terms of employment or unemployment or economic inactivity, nor to any other potential changes within the economy. In addition, the analyses reported here do not attempt to estimate what the impact and characteristics associated with a continuation of the existing National Minimum Wage would have had over time as a counterfactual basis with which to estimate the additive impact of the NLW above and beyond that of the National Minimum Wage for those aged 25 and over.

Comprehensive supporting tabular data are provided in the Appendix.

# THE POTENTIAL DIRECT IMPACT OF THE NATIONAL LIVING WAGE IN NORTHERN IRELAND

## Number of employees impacted

**Each year, as the value of the National Living Wage increases, an increasing number of employees will be covered rising from 55,700 in 2016 to 157,500 in 2020.** The number of employees estimated to be covered each year by the NLW was 55,700 in 2016, 128,300 in 2017, 137,700 in 2018, 145,800 in 2019 and 157,500 in 2020. A larger number of affected employees are female with, for example, 93,300 female employees impacted by the NLW in 2020 compared to 64,200 male employees.

In terms of the coverage of impact, the proportion of employees aged 25 or older estimated to be eligible for the NLW rises from around 8% in 2016, to 23% in 2020. Females comprise both a larger number of employees affected and a higher percentage impact such that around 10% of all female employees aged 25 or older were impacted by the introduction of the NLW in April 2016 compared to around 6% of all male employees. By 2020, an estimated 28% of all female employees aged 25 or older will be eligible for the NLW rate at that time compared to 18% of all male employees aged 25 or older.

## Working pattern of employees impacted

**Whilst, initially, the number of part-time workers eligible for the National Living Wage is greater than full-time workers, the number of employees eligible for the National Living Wage will eventually comprise broadly similar numbers of part-time and full-time employees.**

The number of full-time employees aged 25 or older eligible for the NLW rises from 23,900 in 2016 to 77,900 in 2020 compared to 31,800 part-time employees in 2016 rising to 79,600 in 2020. For female employees eligible for the NLW, a greater number will be part-time rather than full-time employees. By 2020, of the 93,300 female employees covered by the NLW, 59,000 will be part-time compared to 34,300 employed full-time. For male employees covered by the NLW, the reverse is true. Male employees eligible for the NLW will comprise more full-time than part-time employees and, by 2020, of the 64,300 male employees covered by the NLW, 43,600 will be full-time employees compared to 20,600 part-time employees.

Proportionately, by 2020, around 43% of male part-time employees aged 25 or older will be impacted by the NLW compared to 41% of female part-time employees with approximately 18% of female full-time employees and 14% of male full-time employees covered by the NLW.

## Age group of employees impacted

**More of the employees covered by the NLW are younger employees.** By 2020, of the 157,500 employees eligible for the NLW, 54,000 (34%) will be aged between 25-34, 40,000 (25%) will be aged between 35-44, 37,200 (24%) aged between 45-54, 21,000 (13%) aged between 55-64, and 5,300 (3%) aged 65 or older.

Whilst comprising a small proportion of all employees, the highest percentage impact of the NLW is seen amongst those employees aged 65 and older with 36% of these employees impacted in 2020. By comparison, and in 2020, 27% of employees aged 25-34, 20% of employees aged 35-44, 20% of employees aged 45-54, and 24% of employees aged 55-64 will be impacted by the NLW.

### Sectoral focus of impact

**The focus of impact of the National Living Wage is in the private sector.** Around 48,000 private sector employees aged 25 or older were estimated to be impacted by the NLW in April 2016 rising to an estimated 120,000 private sector employees in 2020. By 2020, one-third of private sector employees aged 25 or older will be covered by the NLW compared to around 8% of public sector employees.

### Skills and impact

**Lower skilled employees comprise more of those benefiting.** Those employees aged 25 or older working in elementary occupations which generally reflect the lowest skill and qualification requirements comprise the single biggest occupational group amongst those impacted by the NLW, rising from around 17,200 in 2016 to an estimated 42,400 in 2020. Other occupational groups which comprise a greater share of employees aged 25 or older impacted in 2020 include those working in sales and customer service, process plant and machine operatives, and those in the caring, leisure and other service occupations which together comprise 74,500 of the 157,500 employees impacted.

The focus of impact of the NLW on lower skilled and lower waged occupations is additionally reflected by the finding that by 2020, two-thirds of employees aged 25 or older working in elementary occupations, 63% of employees in sales and customer service occupations, 39% of employees in caring, leisure and other service occupations, and 37% of process, plant and machine operative employees will be covered by the NLW.

### Industrial sector and impact

**Certain industrial sectors comprise more of the impact of the National Living Wage.** By 2020, of the 157,500 employees eligible for the NLW, 38,700 employees work within businesses in the wholesale and retail trade, 25,600 within human health and social work businesses, and 21,200 in manufacturing businesses together accounting for just over half (54%) of all employees impacted by the NLW in 2020.

Whilst contributing a relatively small number of employees to the economy, a very sizeable proportion (70%) of employees working in businesses within the accommodation and food service sector, are estimated to be impacted by the NLW by 2020. By comparison, 46% of employees aged 25 or older working in businesses in the administrative and support service sector, 45% of employees within businesses in the wholesale and retail trade sector, 23% within manufacturing, and 21% in human health and social work will be similarly impacted.

### Impact on earnings

**With the introduction of the National Living Wage in 2016, the increase in earnings of those impacted was estimated at 5.6% reflecting an additional £56m in annual earnings. The impact of the NLW in 2016 was to raise total earnings for all employees aged 25 or older from £16.243bn to £16.299bn, an increase in the annual paybill for all employees aged 25 or older of around 0.34%.** This estimate of an additional 0.34% to the paybill for all those aged 25 and over in Northern Ireland compares to the Low Pay Commission's March research which indicated that the impact of the introduction of the NLW UK-wide would be an increase of 0.1% on the paybill for all those aged 25 and over. The additional annual earnings attributed to the NLW in each successive year, all other things being equal, was estimated at £87m annually in 2017, 2018, and 2019 rising to £99m in 2020. The potential combined impact of the NLW in terms of the total increase in the earnings of affected employees between 2016 and 2020 was an additional £416m in earnings for employees benefiting from the NLW over the period 2016 to 2020.

For those employees impacted by the NLW and in terms of the total additional earnings that result: female employees; full-time employees; younger employees; employees working in businesses in the private sector; and employees in lower skilled occupations or lower waged industrial sectors comprise greater shares of the increase in earnings that result.

In terms of businesses within specific industrial sectors, the additional earnings resulting from the implementation of the NLW is comprised more of employees in businesses in the wholesale and retail, human health and social work, and manufacturing sectors which together receive around 58% of the additional earnings resulting from the NLW over the period 2016 to 2020. In terms of total additional earnings resulting from the NLW over the period 2016 to 2020, employees in wholesale and retail earn an additional £103m whilst employees in human health and social work activities earn an additional £70m as will employees in manufacturing businesses.

## **APPENDIX: TABULAR DATA**

(Note: Totals may not sum due to rounding. Employees have been rounded to the nearest hundred, while financial estimates have been rounded to the nearest £1 million).

# NUMBER OF EMPLOYEES AGED 25 AND OVER IMPACTED BY THE NATIONAL LIVING WAGE

## 2016-2020

Using the number of Northern Ireland employees aged 25 and over from the 2015 Annual Survey of Hours and Earnings as a base case, Tables 1 to 7 estimate the number of employees aged 25 and over each year and their associated characteristics who would be impacted by increases to the National Living Wage.

**Table 1: Number of Employees Aged 25+ Impacted by National Living Wage 2016-2020 by Gender**

| Gender       | All employees in 2015 aged 25+ | Below 2016 NLW of £7.20 at April 2016 | Below 2017 NLW of £7.75 at April 2017 | Below 2018 NLW of £8.20 at April 2018 | Below 2019 NLW of £8.62 at April 2019 | Below 2020 NLW of £9.07 at April 2020 |
|--------------|--------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Male         | 351,000                        | 22,700                                | 52,700                                | 55,800                                | 59,200                                | 64,200                                |
| Female       | 336,900                        | 33,000                                | 75,500                                | 81,900                                | 86,600                                | 93,300                                |
| <b>Total</b> | <b>687,900</b>                 | <b>55,700</b>                         | <b>128,300</b>                        | <b>137,700</b>                        | <b>145,800</b>                        | <b>157,500</b>                        |

**Table 2: Number of Employees Aged 25+ Impacted by National Living Wage 2016-2020 by Work-pattern**

| Work-pattern | All employees in 2015 aged 25+ | Below 2016 NLW of £7.20 at April 2016 | Below 2017 NLW of £7.75 at April 2017 | Below 2018 NLW of £8.20 at April 2018 | Below 2019 NLW of £8.62 at April 2019 | Below 2020 NLW of £9.07 at April 2020 |
|--------------|--------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Full-time    | 495,600                        | 23,900                                | 61,700                                | 66,900                                | 71,000                                | 77,900                                |
| Part-time    | 192,300                        | 31,800                                | 66,500                                | 70,800                                | 74,700                                | 79,600                                |
| <b>Total</b> | <b>687,900</b>                 | <b>55,700</b>                         | <b>128,300</b>                        | <b>137,700</b>                        | <b>145,800</b>                        | <b>157,500</b>                        |

**Table 3: Number of Employees Aged 25+ Impacted by National Living Wage 2016-2020 by Gender and Work-pattern**

| Gender & work-pattern | All employees in 2015 aged 25+ | Below 2016 NLW of £7.20 at April 2016 | Below 2017 NLW of £7.75 at April 2017 | Below 2018 NLW of £8.20 at April 2018 | Below 2019 NLW of £8.62 at April 2019 | Below 2020 NLW of £9.07 at April 2020 |
|-----------------------|--------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Male full-time        | 302,900                        | 13,600                                | 34,400                                | 36,700                                | 39,400                                | 43,600                                |
| Male part-time        | 48,100                         | 9,100                                 | 18,300                                | 19,100                                | 19,700                                | 20,600                                |
| Female full-time      | 192,700                        | 10,400                                | 27,400                                | 30,100                                | 31,600                                | 34,300                                |
| Female part-time      | 144,200                        | 22,700                                | 48,200                                | 51,700                                | 55,000                                | 59,000                                |
| <b>Total</b>          | <b>687,900</b>                 | <b>55,700</b>                         | <b>128,300</b>                        | <b>137,700</b>                        | <b>145,800</b>                        | <b>157,500</b>                        |

**Table 4: Number of Employees Aged 25+ Impacted by National Living Wage 2016-2020 by Age group**

| Age group    | All employees in 2015 aged 25+ | Below 2016 NLW of £7.20 at April 2016 | Below 2017 NLW of £7.75 at April 2017 | Below 2018 NLW of £8.20 at April 2018 | Below 2019 NLW of £8.62 at April 2019 | Below 2020 NLW of £9.07 at April 2020 |
|--------------|--------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| 25-34        | 197,500                        | 21,800                                | 44,500                                | 47,600                                | 50,700                                | 54,000                                |
| 35-44        | 203,800                        | 13,800                                | 32,200                                | 33,900                                | 36,300                                | 40,000                                |
| 45-54        | 184,100                        | 11,300                                | 30,300                                | 32,700                                | 34,000                                | 37,200                                |
| 55-64        | 87,900                         | 6,400                                 | 16,900                                | 18,700                                | 19,700                                | 21,000                                |
| 65+          | 14,600                         | 2,500                                 | 4,400                                 | 4,800                                 | 5,000                                 | 5,300                                 |
| <b>Total</b> | <b>687,900</b>                 | <b>55,700</b>                         | <b>128,300</b>                        | <b>137,700</b>                        | <b>145,800</b>                        | <b>157,500</b>                        |

**Table 5: Number of Employees Aged 25+ Impacted by National Living Wage 2016-2020 by Sector**

| Sector                          | All employees in 2015 aged 25+ | Below 2016 NLW of £7.20 at April 2016 | Below 2017 NLW of £7.75 at April 2017 | Below 2018 NLW of £8.20 at April 2018 | Below 2019 NLW of £8.62 at April 2019 | Below 2020 NLW of £9.07 at April 2020 |
|---------------------------------|--------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Public                          | 227,900                        | 1,200                                 | 9,900                                 | 11,900                                | 12,900                                | 17,800                                |
| Private                         | 368,900                        | 48,200                                | 102,700                               | 108,300                               | 114,300                               | 120,200                               |
| Non-profit body / mutual assoc. | 47,700                         | 2,800                                 | 7,300                                 | 8,600                                 | 9,600                                 | 10,200                                |
| Unclassified                    | 43,400                         | 3,500                                 | 8,300                                 | 8,900                                 | 9,000                                 | 9,200                                 |
| <b>Total</b>                    | <b>687,900</b>                 | <b>55,700</b>                         | <b>128,300</b>                        | <b>137,700</b>                        | <b>145,800</b>                        | <b>157,500</b>                        |



**Table 6: Number of Employees Aged 25+ Impacted by National Living Wage 2016-2020 by Occupation (SOC 2010)**

| SOC 2010 Occupations                | All employees in 2015 aged 25+ | Below 2016 NLW of £7.20 at April 2016 | Below 2017 NLW of £7.75 at April 2017 | Below 2018 NLW of £8.20 at April 2018 | Below 2019 NLW of £8.62 at April 2019 | Below 2020 NLW of £9.07 at April 2020 |
|-------------------------------------|--------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Assoc. professional & higher        | 292,500                        | 5,400                                 | 8,700                                 | 9,400                                 | 11,000                                | 11,300                                |
| Administrative & secretarial        | 92,800                         | 3,800                                 | 9,400                                 | 10,700                                | 12,000                                | 13,800                                |
| Skilled trades                      | 70,400                         | 4,300                                 | 13,800                                | 14,600                                | 14,900                                | 15,600                                |
| Caring, leisure & other service     | 58,900                         | 6,700                                 | 17,500                                | 19,800                                | 21,000                                | 22,700                                |
| Sales & customer service            | 42,700                         | 10,600                                | 24,000                                | 25,500                                | 26,200                                | 27,100                                |
| Process, plant & machine operatives | 66,600                         | 7,800                                 | 19,900                                | 20,900                                | 22,400                                | 24,700                                |
| Elementary occupations              | 64,100                         | 17,200                                | 35,000                                | 36,800                                | 38,400                                | 42,400                                |
| <b>Total</b>                        | <b>687,900</b>                 | <b>55,700</b>                         | <b>128,300</b>                        | <b>137,700</b>                        | <b>145,800</b>                        | <b>157,500</b>                        |

**Table 7: Number of Employees Aged 25+ Impacted by National Living Wage 2016-2020 by Industrial Sector**

| Industrial Sector                     | All employees in 2015 aged 25+ | Below 2016 NLW of £7.20 at April 2016 | Below 2017 NLW of £7.75 at April 2017 | Below 2018 NLW of £8.20 at April 2018 | Below 2019 NLW of £8.62 at April 2019 | Below 2020 NLW of £9.07 at April 2020 |
|---------------------------------------|--------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Manufacturing                         | 93,300                         | 4,200                                 | 17,300                                | 18,500                                | 19,800                                | 21,200                                |
| Wholesale & retail trade              | 86,000                         | 14,900                                | 33,500                                | 35,100                                | 36,800                                | 38,700                                |
| Accom & food service activities       | 24,900                         | 10,700                                | 16,600                                | 16,900                                | 17,100                                | 17,400                                |
| Administrative & support services     | 34,700                         | 7,700                                 | 13,500                                | 14,100                                | 14,400                                | 15,800                                |
| Education                             | 97,000                         | 700                                   | 7,600                                 | 8,200                                 | 8,900                                 | 12,900                                |
| Human health & social work activities | 121,100                        | 8,100                                 | 20,400                                | 23,300                                | 24,400                                | 25,600                                |
| All other activities                  | 230,900                        | 9,300                                 | 19,400                                | 21,500                                | 24,300                                | 25,900                                |
| <b>Total</b>                          | <b>687,900</b>                 | <b>55,700</b>                         | <b>128,300</b>                        | <b>137,700</b>                        | <b>145,800</b>                        | <b>157,500</b>                        |

## PERCENTAGE OF EMPLOYEES AGED 25 AND OVER IMPACTED BY THE NATIONAL LIVING WAGE 2016-2020

Using the number of Northern Ireland employees aged 25 and over from the 2015 Annual Survey of Hours and Earnings as a base case, Tables 8 to 14 estimate the proportion of employees aged 25 and over each year who would be impacted by increases to the National Living Wage and their associated characteristics.

**Table 8: Percentage (%) of Employees Aged 25+ Impacted by National Living Wage 2016-2020 by Gender**

| Gender       | All employees in 2015 aged 25+ | Below 2016 NLW of £7.20 at April 2016 | Below 2017 NLW of £7.75 at April 2017 | Below 2018 NLW of £8.20 at April 2018 | Below 2019 NLW of £8.62 at April 2019 | Below 2020 NLW of £9.07 at April 2020 |
|--------------|--------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Male         | 100.0%                         | 6.5%                                  | 15.0%                                 | 15.9%                                 | 16.9%                                 | 18.3%                                 |
| Female       | 100.0%                         | 9.8%                                  | 22.4%                                 | 24.3%                                 | 25.7%                                 | 27.7%                                 |
| <b>Total</b> | <b>100.0%</b>                  | <b>8.1%</b>                           | <b>18.6%</b>                          | <b>20.0%</b>                          | <b>21.2%</b>                          | <b>22.9%</b>                          |

**Table 9: Percentage (%) of Employees Aged 25+ Impacted by National Living Wage 2016-2020 by Work-pattern**

| Work-pattern | All employees in 2015 aged 25+ | Below 2016 NLW of £7.20 at April 2016 | Below 2017 NLW of £7.75 at April 2017 | Below 2018 NLW of £8.20 at April 2018 | Below 2019 NLW of £8.62 at April 2019 | Below 2020 NLW of £9.07 at April 2020 |
|--------------|--------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Full-time    | 100.0%                         | 4.8%                                  | 12.5%                                 | 13.5%                                 | 14.3%                                 | 15.7%                                 |
| Part-time    | 100.0%                         | 16.5%                                 | 34.6%                                 | 36.8%                                 | 38.9%                                 | 41.4%                                 |
| <b>Total</b> | <b>100.0%</b>                  | <b>8.1%</b>                           | <b>18.6%</b>                          | <b>20.0%</b>                          | <b>21.2%</b>                          | <b>22.9%</b>                          |

**Table 10: Percentage (%) of Employees Aged 25+ Impacted by National Living Wage 2016-2020 by Gender and Work-pattern**

| Gender & work-pattern | All employees in 2015 aged 25+ | Below 2016 NLW of £7.20 at April 2016 | Below 2017 NLW of £7.75 at April 2017 | Below 2018 NLW of £8.20 at April 2018 | Below 2019 NLW of £8.62 at April 2019 | Below 2020 NLW of £9.07 at April 2020 |
|-----------------------|--------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Male full-time        | 100.0%                         | 4.5%                                  | 11.3%                                 | 12.1%                                 | 13.0%                                 | 14.4%                                 |
| Male part-time        | 100.0%                         | 19.0%                                 | 38.1%                                 | 39.7%                                 | 41.0%                                 | 42.8%                                 |
| Female full-time      | 100.0%                         | 5.4%                                  | 14.2%                                 | 15.6%                                 | 16.4%                                 | 17.8%                                 |
| Female part-time      | 100.0%                         | 15.7%                                 | 33.4%                                 | 35.9%                                 | 38.1%                                 | 40.9%                                 |
| <b>Total</b>          | <b>100.0%</b>                  | <b>8.1%</b>                           | <b>18.6%</b>                          | <b>20.0%</b>                          | <b>21.2%</b>                          | <b>22.9%</b>                          |

**Table 11: Percentage (%) of Employees Aged 25+ Impacted by National Living Wage 2016-2020 by Age group**

| <b>Age group</b> | All employees in 2015 aged 25+ | Below 2016 NLW of £7.20 at April 2016 | Below 2017 NLW of £7.75 at April 2017 | Below 2018 NLW of £8.20 at April 2018 | Below 2019 NLW of £8.62 at April 2019 | Below 2020 NLW of £9.07 at April 2020 |
|------------------|--------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| 25-34            | 100.0%                         | 11.0%                                 | 22.5%                                 | 24.1%                                 | 25.7%                                 | 27.3%                                 |
| 35-44            | 100.0%                         | 6.8%                                  | 15.8%                                 | 16.6%                                 | 17.8%                                 | 19.6%                                 |
| 45-54            | 100.0%                         | 6.2%                                  | 16.4%                                 | 17.7%                                 | 18.5%                                 | 20.2%                                 |
| 55-64            | 100.0%                         | 7.2%                                  | 19.3%                                 | 21.3%                                 | 22.4%                                 | 23.9%                                 |
| 65+              | 100.0%                         | 16.8%                                 | 30.0%                                 | 32.8%                                 | 34.5%                                 | 36.0%                                 |
| <b>Total</b>     | <b>100.0%</b>                  | <b>8.1%</b>                           | <b>18.6%</b>                          | <b>20.0%</b>                          | <b>21.2%</b>                          | <b>22.9%</b>                          |

**Table 12: Percentage (%) of Employees Aged 25+ Impacted by National Living Wage 2016-2020 by Sector**

| <b>Sector</b>                     | All employees in 2015 aged 25+ | Below 2016 NLW of £7.20 at April 2016 | Below 2017 NLW of £7.75 at April 2017 | Below 2018 NLW of £8.20 at April 2018 | Below 2019 NLW of £8.62 at April 2019 | Below 2020 NLW of £9.07 at April 2020 |
|-----------------------------------|--------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Public                            | 100.0%                         | 0.5%                                  | 4.3%                                  | 5.2%                                  | 5.6%                                  | 7.8%                                  |
| Private                           | 100.0%                         | 13.1%                                 | 27.8%                                 | 29.3%                                 | 31.0%                                 | 32.6%                                 |
| Non-profit body/<br>mutual assoc. | 100.0%                         | 5.9%                                  | 15.3%                                 | 18.0%                                 | 20.2%                                 | 21.4%                                 |
| Unclassified                      | 100.0%                         | 8.1%                                  | 19.2%                                 | 20.4%                                 | 20.6%                                 | 21.2%                                 |
| <b>Total</b>                      | <b>100.0%</b>                  | <b>8.1%</b>                           | <b>18.6%</b>                          | <b>20.0%</b>                          | <b>21.2%</b>                          | <b>22.9%</b>                          |

**Table 13: Percentage (%) of Employees Aged 25+ Impacted by National Living Wage 2016-2020 by Occupation (SOC 2010)**

| <b>SOC 2010 Occupations</b>         | All employees in 2015 aged 25+ | Below 2016 NLW of £7.20 at April 2016 | Below 2017 NLW of £7.75 at April 2017 | Below 2018 NLW of £8.20 at April 2018 | Below 2019 NLW of £8.62 at April 2019 | Below 2020 NLW of £9.07 at April 2020 |
|-------------------------------------|--------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Assoc. professional & higher        | 100.0%                         | 1.8%                                  | 3.0%                                  | 3.2%                                  | 3.8%                                  | 3.9%                                  |
| Administrative & secretarial        | 100.0%                         | 4.1%                                  | 10.2%                                 | 11.5%                                 | 12.9%                                 | 14.8%                                 |
| Skilled trades                      | 100.0%                         | 6.1%                                  | 19.6%                                 | 20.8%                                 | 21.1%                                 | 22.1%                                 |
| Caring, leisure & other service     | 100.0%                         | 11.4%                                 | 29.8%                                 | 33.6%                                 | 35.6%                                 | 38.6%                                 |
| Sales & customer service            | 100.0%                         | 24.9%                                 | 56.3%                                 | 59.7%                                 | 61.3%                                 | 63.4%                                 |
| Process, plant & machine operatives | 100.0%                         | 11.7%                                 | 29.8%                                 | 31.4%                                 | 33.7%                                 | 37.1%                                 |
| Elementary occupations              | 100.0%                         | 26.8%                                 | 54.5%                                 | 57.4%                                 | 59.8%                                 | 66.0%                                 |
| <b>Total</b>                        | <b>100.0%</b>                  | <b>8.1%</b>                           | <b>18.6%</b>                          | <b>20.0%</b>                          | <b>21.2%</b>                          | <b>22.9%</b>                          |

**Table 14: Percentage (%) of Employees Aged 25+ Impacted by National Living Wage 2016-2020 by Industrial Sector**

| <b>Industrial Sector</b>                | All employees in 2015 aged 25+ | Below 2016 NLW of £7.20 at April 2016 | Below 2017 NLW of £7.75 at April 2017 | Below 2018 NLW of £8.20 at April 2018 | Below 2019 NLW of £8.62 at April 2019 | Below 2020 NLW of £9.07 at April 2020 |
|---|--------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Manufacturing                           | 100.0%                         | 4.5%                                  | 18.5%                                 | 19.8%                                 | 21.2%                                 | 22.8%                                 |
| Wholesale & retail trade                | 100.0%                         | 17.3%                                 | 39.0%                                 | 40.8%                                 | 42.7%                                 | 45.0%                                 |
| Accommodation & food service activities | 100.0%                         | 43.0%                                 | 66.6%                                 | 67.9%                                 | 68.6%                                 | 69.6%                                 |
| Administrative & support services       | 100.0%                         | 22.3%                                 | 38.9%                                 | 40.7%                                 | 41.6%                                 | 45.5%                                 |
| Education                               | 100.0%                         | 0.7%                                  | 7.8%                                  | 8.5%                                  | 9.2%                                  | 13.3%                                 |
| Human health & social work activities   | 100.0%                         | 6.7%                                  | 16.8%                                 | 19.2%                                 | 20.2%                                 | 21.1%                                 |
| All other activities                    | 100.0%                         | 4.0%                                  | 8.4%                                  | 9.3%                                  | 10.5%                                 | 11.2%                                 |
| <b>Total</b>                            | <b>100.0%</b>                  | <b>8.1%</b>                           | <b>18.6%</b>                          | <b>20.0%</b>                          | <b>21.2%</b>                          | <b>22.9%</b>                          |

## ANNUAL NORTHERN IRELAND PAYBILL (£ MILLION) FOR ALL EMPLOYEES AGED 25 AND OVER

Using the annual paybill for Northern Ireland employees aged 25 and over from the 2015 Annual Survey of Hours and Earnings as a base case, Tables 15 to 21 estimate the paybill for all employees aged 25 and over and their associated characteristics in subsequent years following both OBR forecast annual increases to earnings and rises in the NLW.

**Table 15: Annual NI Paybill (£ million) for All Employees Aged 25+ from 2015-2020 by Gender**

| Gender       | Annual Paybill with MW of £6.50 at Apr 2015 | Annual Paybill after £7.20 NLW at Apr 2016 | Annual Paybill after £7.75 NLW at Apr 2017 | Annual Paybill after £8.20 NLW at Apr 2018 | Annual Paybill after £8.62 NLW at Apr 2019 | Annual Paybill after £9.07 NLW at Apr 2020 |
|--------------|---|--|--|--|--|--|
| Male         | £9,419                                      | £9,457                                     | £9,731                                     | £10,097                                    | £10,463                                    | £10,835                                    |
| Female       | £6,801                                      | £6,842                                     | £7,052                                     | £7,324                                     | £7,595                                     | £7,873                                     |
| <b>Total</b> | <b>£16,220</b>                              | <b>£16,299</b>                             | <b>£16,783</b>                             | <b>£17,421</b>                             | <b>£18,058</b>                             | <b>£18,708</b>                             |

**Table 16: Annual NI Paybill (£ million) for All Employees Aged 25+ from 2015-2020 by Work-pattern**

| Work-pattern | Annual Paybill with MW of £6.50 at Apr 2015 | Annual Paybill after £7.20 NLW at Apr 2016 | Annual Paybill after £7.75 NLW at Apr 2017 | Annual Paybill after £8.20 NLW at Apr 2018 | Annual Paybill after £8.62 NLW at Apr 2019 | Annual Paybill after £9.07 NLW at Apr 2020 |
|--------------|---|--|--|--|--|--|
| Full-time    | £14,241                                     | £14,293                                    | £14,703                                    | £15,255                                    | £15,807                                    | £16,368                                    |
| Part-time    | £1,979                                      | £2,006                                     | £2,079                                     | £2,166                                     | £2,251                                     | £2,340                                     |
| <b>Total</b> | <b>£16,220</b>                              | <b>£16,299</b>                             | <b>£16,783</b>                             | <b>£17,421</b>                             | <b>£18,058</b>                             | <b>£18,708</b>                             |

**Table 17: Annual NI Paybill (£ million) for All Employees Aged 25+ from 2015-2020 by Gender and Work-pattern**

| Gender & work-pattern | Annual Paybill with MW of £6.50 at Apr 2015 | Annual Paybill after £7.20 NLW at Apr 2016 | Annual Paybill after £7.75 NLW at Apr 2017 | Annual Paybill after £8.20 NLW at Apr 2018 | Annual Paybill after £8.62 NLW at Apr 2019 | Annual Paybill after £9.07 NLW at Apr 2020 |
|-----------------------|---|--|--|--|--|--|
| Male full-time        | £8,942                                      | £8,972                                     | £9,227                                     | £9,572                                     | £9,917                                     | £10,268                                    |
| Male part-time        | £477  | £485                                       | £504                                       | £525                                       | £546                                       | £568                                       |
| Female full-time      | £5,299                                      | £5,321                                     | £5,476                                     | £5,683                                     | £5,890                                     | £6,101                                     |
| Female part-time      | £1,502                                      | £1,521                                     | £1,576                                     | £1,641                                     | £1,705                                     | £1,772                                     |
| <b>Total</b>          | <b>£16,220</b>                              | <b>£16,299</b>                             | <b>£16,783</b>                             | <b>£17,421</b>                             | <b>£18,058</b>                             | <b>£18,708</b>                             |

**Table 18: Annual NI Paybill (£ million) for All Employees Aged 25+ from 2015-2020 by Age group**

| Age group    | Annual Paybill with MW of £6.50 at Apr 2015 | Annual Paybill after £7.20 NLW at Apr 2016 | Annual Paybill after £7.75 NLW at Apr 2017 | Annual Paybill after £8.20 NLW at Apr 2018 | Annual Paybill after £8.62 NLW at Apr 2019 | Annual Paybill after £9.07 NLW at Apr 2020 |
|--------------|---|--|--|--|--|--|
| 25-34        | £4,121                                      | £4,152                                     | £4,282                                     | £4,448                                     | £4,614                                     | £4,784                                     |
| 35-44        | £5,097                                      | £5,116                                     | £5,265                                     | £5,463                                     | £5,661                                     | £5,863                                     |
| 45-54        | £4,767                                      | £4,785                                     | £4,923                                     | £5,109                                     | £5,294                                     | £5,482                                     |
| 55-64        | £2,018                                      | £2,026                                     | £2,086                                     | £2,166                                     | £2,245                                     | £2,326                                     |
| 65+          | £217  | £220                                       | £227                                       | £235                                       | £244                                       | £253                                       |
| <b>Total</b> | <b>£16,220</b>                              | <b>£16,299</b>                             | <b>£16,783</b>                             | <b>£17,421</b>                             | <b>£18,058</b>                             | <b>£18,708</b>                             |

**Table 19: Annual NI Paybill (£ million) for All Employees Aged 25+ from 2015-2020 by Sector**

| Sector                          | Annual Paybill with MW of £6.50 at Apr 2015 | Annual Paybill after £7.20 NLW at Apr 2016 | Annual Paybill after £7.75 NLW at Apr 2017 | Annual Paybill after £8.20 NLW at Apr 2018 | Annual Paybill after £8.62 NLW at Apr 2019 | Annual Paybill after £9.07 NLW at Apr 2020 |
|---------------------------------|---|--|--|--|--|--|
| Public                          | £5,876                                      | £5,878                                     | £6,035                                     | £6,254                                     | £6,475                                     | £6,698                                     |
| Private                         | £8,053                                      | £8,121                                     | £8,382                                     | £8,711                                     | £9,039                                     | £9,375                                     |
| Non-profit body / mutual assoc. | £1,065                                      | £1,069                                     | £1,099                                     | £1,141                                     | £1,182                                     | £1,225                                     |
| Unclassified                    | £1,225                                      | £1,231                                     | £1,267                                     | £1,314                                     | £1,362                                     | £1,410                                     |
| <b>Total</b>                    | <b>£16,220</b>                              | <b>£16,299</b>                             | <b>£16,783</b>                             | <b>£17,421</b>                             | <b>£18,058</b>                             | <b>£18,708</b>                             |

**Table 20: Annual NI Paybill (£ million) for All Employees Aged 25+ from 2015-2020 by Occupation (SOC 2010)**

| SOC 2010 Occupations                | Annual Paybill with MW of £6.50 at Apr 2015 | Annual Paybill after £7.20 NLW at Apr 2016 | Annual Paybill after £7.75 NLW at Apr 2017 | Annual Paybill after £8.20 NLW at Apr 2018 | Annual Paybill after £8.62 NLW at Apr 2019 | Annual Paybill after £9.07 NLW at Apr 2020 |
|-------------------------------------|---|--|--|--|--|--|
| Assoc. professional & higher        | £9,797                                      | £9,810                                     | £10,069                                    | £10,434                                    | £10,802                                    | £11,172                                    |
| Administrative & secretarial        | £1,641                                      | £1,645                                     | £1,692                                     | £1,755                                     | £1,819                                     | £1,884                                     |
| Skilled trades                      | £1,513                                      | £1,521                                     | £1,567                                     | £1,628                                     | £1,688                                     | £1,750                                     |
| Caring, leisure & other service     | £740  | £749                                       | £777                                       | £810                                       | £842                                       | £876                                       |
| Sales & customer service            | £551  | £563                                       | £588                                       | £614                                       | £640                                       | £668                                       |
| Process, plant & machine operatives | £1,225                                      | £1,238                                     | £1,281                                     | £1,334                                     | £1,386                                     | £1,439                                     |
| Elementary occupations              | £754  | £773                                       | £808                                       | £845                                       | £881                                       | £919                                       |
| <b>Total</b>                        | <b>£16,220</b>                              | <b>£16,299</b>                             | <b>£16,783</b>                             | <b>£17,421</b>                             | <b>£18,058</b>                             | <b>£18,708</b>                             |

**Table 21: Annual NI Paybill (£ million) for All Employees Aged 25+ from 2015-2020 by Industrial Sector**

| Industrial Sector                       | Annual Paybill with MW of £6.50 at Apr 2015 | Annual Paybill after £7.20 NLW at Apr 2016 | Annual Paybill after £7.75 NLW at Apr 2017 | Annual Paybill after £8.20 NLW at Apr 2018 | Annual Paybill after £8.62 NLW at Apr 2019 | Annual Paybill after £9.07 NLW at Apr 2020 |
|---|---|--|--|--|--|--|
| Manufacturing                           | £2,331                                      | £2,340                                     | £2,411                                     | £2,503                                     | £2,596                                     | £2,690                                     |
| Wholesale & retail trade                | £1,550                                      | £1,569                                     | £1,625                                     | £1,692                                     | £1,758                                     | £1,827                                     |
| Accommodation & food service activities | £320  | £330                                       | £345                                       | £362                                       | £377                                       | £393                                       |
| Administrative & support services       | £672  | £683                                       | £707                                       | £736                                       | £765                                       | £795                                       |
| Education                               | £2,438                                      | £2,440                                     | £2,505                                     | £2,597                                     | £2,689                                     | £2,782                                     |
| Human health & social work activities   | £2,698                                      | £2,710                                     | £2,790                                     | £2,897                                     | £3,003                                     | £3,111                                     |
| All other activities                    | £6,211                                      | £6,227                                     | £6,398                                     | £6,633                                     | £6,870                                     | £7,110                                     |
| <b>Total</b>                            | <b>£16,220</b>                              | <b>£16,299</b>                             | <b>£16,783</b>                             | <b>£17,421</b>                             | <b>£18,058</b>                             | <b>£18,708</b>                             |

## ANNUAL PAYBILL (£ MILLION) FOR EMPLOYEES AGED 25 AND OVER ENTITLED TO THE NLW 2016-2020

Using the annual paybill for Northern Ireland employees aged 25 and over entitled to the NLW from the 2015 Annual Survey of Hours and Earnings as a base case, Tables 22 to 28 estimate the paybill for all employees aged 25 and over entitled to the NLW in each year and their associated employee characteristics before additional annual earnings resulting from the NLW.

**Table 22: Annual Paybill (£ million) for Employees Aged 25+ entitled to NLW 2016-2020 by Gender**

| Gender       | Annual Paybill for staff earning < £7.20 at Apr 2016 | Annual Paybill for staff earning < £7.75 at Apr 2017 | Annual Paybill for staff earning < £8.62 at Apr 2018 | Annual Paybill for staff earning < £8.20 at Apr 2019 | Annual Paybill for staff earning < £9.07 at Apr 2020 |
|--------------|--|--|--|--|--|
| Male         | £445   | £649   | £734   | £827   | £955   |
| Female       | £544   | £737   | £858   | £954   | £1,082   |
| <b>Total</b> | <b>£989</b>  | <b>£1,386</b>  | <b>£1,592</b>  | <b>£1,780</b>  | <b>£2,037</b>  |

**Table 23: Annual Paybill (£ million) for Employees Aged 25+ entitled to NLW 2016-2020 by Work-pattern**

| Work-pattern | Annual Paybill for staff earning < £7.20 at Apr 2016 | Annual Paybill for staff earning < £7.75 at Apr 2017 | Annual Paybill for staff earning < £8.62 at Apr 2018 | Annual Paybill for staff earning < £8.20 at Apr 2019 | Annual Paybill for staff earning < £9.07 at Apr 2020 |
|--------------|--|--|--|--|--|
| Full-time    | £645   | £907   | £1,048   | £1,174   | £1,358   |
| Part-time    | £344   | £479   | £544   | £606   | £679   |
| <b>Total</b> | <b>£989</b>  | <b>£1,386</b>  | <b>£1,592</b>  | <b>£1,780</b>  | <b>£2,037</b>  |

**Table 24: Annual Paybill (£ million) for Employees Aged 25+ entitled to NLW 2016-2020 by Gender and Work-pattern**

| Gender & work-pattern | Annual Paybill for staff earning < £7.20 at Apr 2016 | Annual Paybill for staff earning < £7.75 at Apr 2017 | Annual Paybill for staff earning < £8.62 at Apr 2018 | Annual Paybill for staff earning < £8.20 at Apr 2019 | Annual Paybill for staff earning < £9.07 at Apr 2020 |
|-----------------------|--|--|--|--|--|
| Male full-time        | £348   | £513   | £584   | £662   | £772   |
| Male part-time        | £97  | £136   | £150   | £165   | £183   |
| Female full-time      | £297   | £394   | £464   | £513   | £586   |
| Female part-time      | £247   | £342   | £394   | £441   | £496   |
| <b>Total</b>          | <b>£989</b>  | <b>£1,386</b>  | <b>£1,592</b>  | <b>£1,780</b>  | <b>£2,037</b>  |



**Table 25: Annual Paybill (£ million) for Employees Aged 25+ entitled to NLW 2016-2020 by Age group**

| Age group    | Annual Paybill for staff earning < £7.20 at Apr 2016 | Annual Paybill for staff earning < £7.75 at Apr 2017 | Annual Paybill for staff earning < £8.62 at Apr 2018 | Annual Paybill for staff earning < £8.20 at Apr 2019 | Annual Paybill for staff earning < £9.07 at Apr 2020 |
|--------------|--|--|--|--|--|
| 25-34        | £369   | £505   | £580   | £655   | £741   |
| 35-44        | £257   | £350   | £395   | £448   | £524   |
| 45-54        | £230   | £332   | £381   | £416   | £483   |
| 55-64        | £109   | £169   | £200   | £223   | £247   |
| 65+          | £25  | £30  | £36  | £39  | £43  |
| <b>Total</b> | <b>£989</b>  | <b>£1,386</b>  | <b>£1,592</b>  | <b>£1,780</b>  | <b>£2,037</b>  |

**Table 26: Annual Paybill (£ million) for Employees Aged 25+ entitled to NLW 2016-2020 by Sector**

| Sector                          | Annual Paybill for staff earning < £7.20 at Apr 2016 | Annual Paybill for staff earning < £7.75 at Apr 2017 | Annual Paybill for staff earning < £8.62 at Apr 2018 | Annual Paybill for staff earning < £8.20 at Apr 2019 | Annual Paybill for staff earning < £9.07 at Apr 2020 |
|---------------------------------|--|--|--|--|--|
| Public                          | £52  | £82  | £110   | £125   | £189   |
| Private                         | £838   | £1,146   | £1,293   | £1,445   | £1,618   |
| Non-profit body / mutual assoc. | £45  | £71  | £91  | £105   | £117   |
| Unclassified                    | £54  | £87  | £98  | £105   | £114   |
| <b>Total</b>                    | <b>£989</b>  | <b>£1,386</b>  | <b>£1,592</b>  | <b>£1,780</b>  | <b>£2,037</b>  |

**Table 27: Annual Paybill (£ million) for Employees Aged 25+ entitled to NLW 2016-2020 by Occupation (SOC 2010)**

| SOC 2010 Occupations                | Annual Paybill for staff earning < £7.20 at Apr 2016 | Annual Paybill for staff earning < £7.75 at Apr 2017 | Annual Paybill for staff earning < £8.62 at Apr 2018 | Annual Paybill for staff earning < £8.20 at Apr 2019 | Annual Paybill for staff earning < £9.07 at Apr 2020 |
|-------------------------------------|--|--|--|--|--|
| Assoc. professional & higher        | £75  | £100   | £115   | £141   | £154   |
| Administrative & secretarial        | £56  | £94  | £114   | £134   | £168   |
| Skilled trades                      | £109   | £173   | £195   | £210   | £232   |
| Caring, leisure & other service     | £146   | £193   | £231   | £252   | £286   |
| Sales & customer service            | £165   | £229   | £261   | £285   | £315   |
| Process, plant & machine operatives | £189   | £264   | £299   | £341   | £399   |
| Elementary occupations              | £250   | £332   | £378   | £417   | £482   |
| <b>Total</b>                        | <b>£989</b>  | <b>£1,386</b>  | <b>£1,592</b>  | <b>£1,780</b>  | <b>£2,037</b>  |

**Table 28: Annual Paybill (£ million) for Employees Aged 25+ entitled to NLW 2016-2020 by Industrial Sector**

| Industrial Sector                       | Annual Paybill for staff earning < £7.20 at Apr 2016 | Annual Paybill for staff earning < £7.75 at Apr 2017 | Annual Paybill for staff earning < £8.62 at Apr 2018 | Annual Paybill for staff earning < £8.20 at Apr 2019 | Annual Paybill for staff earning < £9.07 at Apr 2020 |
|---|--|--|--|--|--|
| Manufacturing                           | £163   | £239   | £270   | £308   | £347   |
| Wholesale & retail trade                | £245   | £350   | £388   | £433   | £490   |
| Accommodation & food service activities | £119   | £154   | £168   | £180   | £193   |
| Administrative & support services       | £112   | £149   | £167   | £179   | £213   |
| Education                               | £36  | £59  | £68  | £79  | £124   |
| Human health & social work activities   | £167   | £228   | £283   | £310   | £339   |
| All other activities                    | £147   | £206   | £248   | £291   | £331   |
| <b>Total</b>                            | <b>£989</b>  | <b>£1,386</b>  | <b>£1,592</b>  | <b>£1,780</b>  | <b>£2,037</b>  |

## ANNUAL ADDITIONAL EARNINGS (£ MILLION) IN PAYING EMPLOYEES AGED 25 AND OVER ENTITLED TO THE NLW 2016-2020

Using the annual paybill for Northern Ireland employees aged 25 and over entitled to the NLW from the 2015 Annual Survey of Hours and Earnings as a base case, Tables 29 to 35 estimate the additional annual earnings for employees aged 25 and over entitled to the NLW in subsequent years and their associated employee characteristics.

**Table 29: Annual Additional Earnings (£ million) in Paying Employees Aged 25+ entitled to NLW 2016-2020 by Gender**

| Gender       | Additional earnings from 2016 £7.20 NLW applied in April 2016 | Additional earnings from 2017 £7.75 NLW applied in April 2017 | Additional earnings from 2018 £8.20 NLW applied in April 2018 | Additional earnings from 2019 £8.62 NLW applied in April 2019 | Additional earnings from 2020 £9.07 NLW applied in April 2020 |
|--------------|---|---|---|---|---|
| Male         | £25   | £40   | £40   | £40   | £46   |
| Female       | £31   | £48   | £46   | £47   | £53   |
| <b>Total</b> | <b>£56</b>  | <b>£87</b>  | <b>£87</b>  | <b>£87</b>  | <b>£99</b>  |

**Table 30: Annual Additional Earnings (£ million) in Paying Employees Aged 25+ entitled to NLW 2016-2020 by Work-pattern**

| Work-pattern | Additional earnings from 2016 £7.20 NLW applied in April 2016 | Additional earnings from 2017 £7.75 NLW applied in April 2017 | Additional earnings from 2018 £8.20 NLW applied in April 2018 | Additional earnings from 2019 £8.62 NLW applied in April 2019 | Additional earnings from 2020 £9.07 NLW applied in April 2020 |
|--------------|---|---|---|---|---|
| Full-time    | £35   | £57   | £57   | £57   | £65   |
| Part-time    | £21   | £31   | £30   | £30   | £34   |
| <b>Total</b> | <b>£56</b>  | <b>£87</b>  | <b>£87</b>  | <b>£87</b>  | <b>£99</b>  |

**Table 31: Annual Additional Earnings (£ million) in Paying Employees Aged 25+ entitled to NLW 2016-2020 by Gender and Work-pattern**

| Gender & work-pattern | Additional earnings from 2016 £7.20 NLW applied in April 2016 | Additional earnings from 2017 £7.75 NLW applied in April 2017 | Additional earnings from 2018 £8.20 NLW applied in April 2018 | Additional earnings from 2019 £8.62 NLW applied in April 2019 | Additional earnings from 2020 £9.07 NLW applied in April 2020 |
|-----------------------|---|---|---|---|---|
| Male full-time        | £19   | £31   | £32   | £32   | £37   |
| Male part-time        | £6  | £9  | £8  | £8  | £9  |
| Female full-time      | £16   | £26   | £25   | £25   | £28   |
| Female part-time      | £15   | £22   | £21   | £22   | £24   |
| <b>Total</b>          | <b>£56</b>  | <b>£87</b>  | <b>£87</b>  | <b>£87</b>  | <b>£99</b>  |

**Table 32: Annual Additional Earnings (£ million) in Paying Employees Aged 25+ entitled to NLW 2016-2020 by Age group**

| Age group    | Additional earnings from 2016 £7.20 NLW applied in April 2016 | Additional earnings from 2017 £7.75 NLW applied in April 2017 | Additional earnings from 2018 £8.20 NLW applied in April 2018 | Additional earnings from 2019 £8.62 NLW applied in April 2019 | Additional earnings from 2020 £9.07 NLW applied in April 2020 |
|--------------|---|---|---|---|---|
| 25-34        | £22   | £32   | £32   | £32   | £36   |
| 35-44        | £14   | £23   | £22   | £22   | £25   |
| 45-54        | £12   | £20   | £21   | £21   | £23   |
| 55-64        | £6  | £10   | £11   | £11   | £12   |
| 65+          | £2  | £2  | £2  | £2  | £2  |
| <b>Total</b> | <b>£56</b>  | <b>£87</b>  | <b>£87</b>  | <b>£87</b>  | <b>£99</b>  |

**Table 33: Annual Additional Earnings (£ million) in Paying Employees Aged 25+ entitled to NLW 2016-2020 by Sector**

| Sector                          | Additional earnings from 2016 £7.20 NLW applied in April 2016 | Additional earnings from 2017 £7.75 NLW applied in April 2017 | Additional earnings from 2018 £8.20 NLW applied in April 2018 | Additional earnings from 2019 £8.62 NLW applied in April 2019 | Additional earnings from 2020 £9.07 NLW applied in April 2020 |
|---------------------------------|---|---|---|---|---|
| Public                          | £2  | £5  | £5  | £6  | £7  |
| Private                         | £48   | £73   | £72   | £71   | £80   |
| Non-profit body / mutual assoc. | £3  | £4  | £5  | £5  | £6  |
| Unclassified                    | £4  | £5  | £5  | £5  | £6  |
| <b>Total</b>                    | <b>£56</b>  | <b>£87</b>  | <b>£87</b>  | <b>£87</b>  | <b>£99</b>  |

**Table 34: Annual Additional Earnings (£ million) in Paying Employees Aged 25+ entitled to NLW 2016-2020 by Occupation (SOC 2010)**

| SOC 2010 Occupations                | Additional earnings from 2016 £7.20 NLW applied in April 2016 | Additional earnings from 2017 £7.75 NLW applied in April 2017 | Additional earnings from 2018 £8.20 NLW applied in April 2018 | Additional earnings from 2019 £8.62 NLW applied in April 2019 | Additional earnings from 2020 £9.07 NLW applied in April 2020 |
|-------------------------------------|---|---|---|---|---|
| Assoc. professional & higher        | £5  | £7  | £6  | £6  | £8  |
| Administrative & secretarial        | £3  | £5  | £6  | £6  | £8  |
| Skilled trades                      | £6  | £10   | £11   | £11   | £12   |
| Caring, leisure & other service     | £8  | £13   | £12   | £13   | £14   |
| Sales & customer service            | £10   | £14   | £14   | £14   | £16   |
| Process, plant & machine operatives | £10   | £17   | £16   | £16   | £19   |
| Elementary occupations              | £15   | £22   | £21   | £21   | £23   |
| <b>Total</b>                        | <b>£56</b>  | <b>£87</b>  | <b>£87</b>  | <b>£87</b>  | <b>£99</b>  |

**Table 35: Annual Additional Annual Earnings (£ million) in Paying Employees Aged 25+ entitled to NLW 2016-2020 by Industrial Sector**

| Industrial Sector                       | Additional earnings from 2016 £7.20 NLW applied in April 2016 | Additional earnings from 2017 £7.75 NLW applied in April 2017 | Additional earnings from 2018 £8.20 NLW applied in April 2018 | Additional earnings from 2019 £8.62 NLW applied in April 2019 | Additional earnings from 2020 £9.07 NLW applied in April 2020 |
|---|---|---|---|---|---|
| Manufacturing                           | £8  | £15   | £15   | £15   | £17   |
| Wholesale & retail trade                | £14   | £22   | £22   | £21   | £24   |
| Accommodation & food service activities | £8  | £10   | £10   | £9  | £10   |
| Administrative & support services       | £7  | £10   | £9  | £9  | £10   |
| Education                               | £1  | £3  | £4  | £4  | £5  |
| Human health & social work activities   | £9  | £15   | £14   | £15   | £17   |
| All other activities                    | £9  | £13   | £13   | £14   | £16   |
| <b>Total</b>                            | <b>£56</b>  | <b>£87</b>  | <b>£87</b>  | <b>£87</b>  | <b>£99</b>  |

## OVERALL PERCENTAGE (%) IMPACT ON TOTAL ANNUAL PAYBILL OF PAYING NLW 2016-2020

Using the annual paybill for all Northern Ireland employees aged 25 and over from the 2015 Annual Survey of Hours and Earnings as a base case, Tables 36 to 42 estimate the percentage increase in paybill for all employees aged 25 and over resulting from the NLW in subsequent years and the associated employee characteristics.

**Table 36: Overall Percentage (%) Impact on Total Annual Paybill of Paying NLW 2016-2020 by Gender**

| Gender       | Total % impact of 2016 £7.20 NLW applied in April 2016 | Total % impact of 2017 £7.75 NLW applied in April 2017 | Total % impact of 2018 £8.20 NLW applied in April 2018 | Total % impact of 2019 £8.62 NLW applied in April 2019 | Total % impact of 2020 £9.07 NLW applied in April 2020 |
|--------------|--|--|--|--|--|
| Male         | 0.27%  | 0.41%  | 0.40%  | 0.38%  | 0.42%  |
| Female       | 0.45%  | 0.67%  | 0.63%  | 0.62%  | 0.67%  |
| <b>Total</b> | <b>0.34%</b>   | <b>0.52%</b>   | <b>0.50%</b>   | <b>0.48%</b>   | <b>0.53%</b>   |

**Table 37: Overall Percentage (%) Impact on Total Annual Paybill of Paying NLW 2016-2020 by Work-pattern**

| Work-pattern | Total % impact of 2016 £7.20 NLW applied in April 2016 | Total % impact of 2017 £7.75 NLW applied in April 2017 | Total % impact of 2018 £8.20 NLW applied in April 2018 | Total % impact of 2019 £8.62 NLW applied in April 2019 | Total % impact of 2020 £9.07 NLW applied in April 2020 |
|--------------|--|--|--|--|--|
| Full-time    | 0.25%  | 0.38%  | 0.37%  | 0.36%  | 0.40%  |
| Part-time    | 1.04%  | 1.47%  | 1.38%  | 1.32%  | 1.43%  |
| <b>Total</b> | <b>0.34%</b>   | <b>0.52%</b>   | <b>0.50%</b>   | <b>0.48%</b>   | <b>0.53%</b>   |

**Table 38: Overall Percentage (%) Impact on Total Annual Paybill of Paying NLW 2016-2020 by Gender and Work-pattern**

| Gender & work-pattern | Total % impact of 2016 £7.20 NLW applied in April 2016 | Total % impact of 2017 £7.75 NLW applied in April 2017 | Total % impact of 2018 £8.20 NLW applied in April 2018 | Total % impact of 2019 £8.62 NLW applied in April 2019 | Total % impact of 2020 £9.07 NLW applied in April 2020 |
|-----------------------|--|--|--|--|--|
| Male full-time        | 0.21%  | 0.34%  | 0.33%  | 0.32%  | 0.36%  |
| Male part-time        | 1.29%  | 1.69%  | 1.61%  | 1.49%  | 1.60%  |
| Female full-time      | 0.30%  | 0.47%  | 0.44%  | 0.43%  | 0.47%  |
| Female part-time      | 0.96%  | 1.40%  | 1.30%  | 1.26%  | 1.38%  |
| <b>Total</b>          | <b>0.34%</b>   | <b>0.52%</b>   | <b>0.50%</b>   | <b>0.48%</b>   | <b>0.53%</b>   |

**Table 39: Overall Percentage (%) Impact on Total Annual Paybill of Paying NLW 2016-2020 by Age group**

| Age group    | Total % impact of 2016 £7.20 NLW applied in April 2016 | Total % impact of 2017 £7.75 NLW applied in April 2017 | Total % impact of 2018 £8.20 NLW applied in April 2018 | Total % impact of 2019 £8.62 NLW applied in April 2019 | Total % impact of 2020 £9.07 NLW applied in April 2020 |
|--------------|--|--|--|--|--|
| 25-34        | 0.53%  | 0.75%  | 0.71%  | 0.69%  | 0.76%  |
| 35-44        | 0.28%  | 0.43%  | 0.40%  | 0.38%  | 0.43%  |
| 45-54        | 0.26%  | 0.41%  | 0.41%  | 0.39%  | 0.42%  |
| 55-64        | 0.30%  | 0.49%  | 0.49%  | 0.49%  | 0.53%  |
| 65+          | 0.69%  | 0.91%  | 0.81%  | 0.80%  | 0.85%  |
| <b>Total</b> | <b>0.34%</b>   | <b>0.52%</b>   | <b>0.50%</b>   | <b>0.48%</b>   | <b>0.53%</b>   |

**Table 40: Overall Percentage (%) Impact on Total Annual Paybill of Paying NLW 2016-2020 by Sector**

| Sector                          | Total % impact of 2016 £7.20 NLW applied in April 2016 | Total % impact of 2017 £7.75 NLW applied in April 2017 | Total % impact of 2018 £8.20 NLW applied in April 2018 | Total % impact of 2019 £8.62 NLW applied in April 2019 | Total % impact of 2020 £9.07 NLW applied in April 2020 |
|---------------------------------|--|--|--|--|--|
| Public                          | 0.03%  | 0.08%  | 0.08%  | 0.09%  | 0.11%  |
| Private                         | 0.60%  | 0.87%  | 0.82%  | 0.78%  | 0.85%  |
| Non-profit body / mutual assoc. | 0.24%  | 0.39%  | 0.40%  | 0.42%  | 0.47%  |
| Unclassified                    | 0.29%  | 0.41%  | 0.41%  | 0.39%  | 0.41%  |
| <b>Total</b>                    | <b>0.34%</b>   | <b>0.52%</b>   | <b>0.50%</b>   | <b>0.48%</b>   | <b>0.53%</b>   |

**Table 41: Overall Percentage (%) Impact on Total Annual Paybill of Paying NLW 2016-2020 by Occupation (SOC 2010)**

| SOC 2010 Occupations                | Total % impact of 2016 £7.20 NLW applied in April 2016 | Total % impact of 2017 £7.75 NLW applied in April 2017 | Total % impact of 2018 £8.20 NLW applied in April 2018 | Total % impact of 2019 £8.62 NLW applied in April 2019 | Total % impact of 2020 £9.07 NLW applied in April 2020 |
|-------------------------------------|--|--|--|--|--|
| Assoc. professional & higher        | 0.05%  | 0.06%  | 0.06%  | 0.06%  | 0.07%  |
| Administrative & secretarial        | 0.19%  | 0.31%  | 0.34%  | 0.35%  | 0.41%  |
| Skilled trades                      | 0.37%  | 0.63%  | 0.66%  | 0.63%  | 0.67%  |
| Caring, leisure & other service     | 1.07%  | 1.63%  | 1.50%  | 1.49%  | 1.59%  |
| Sales & customer service            | 1.73%  | 2.47%  | 2.34%  | 2.21%  | 2.35%  |
| Process, plant & machine operatives | 0.82%  | 1.29%  | 1.24%  | 1.18%  | 1.32%  |
| Elementary occupations              | 1.89%  | 2.69%  | 2.45%  | 2.34%  | 2.52%  |
| <b>Total</b>                        | <b>0.34%</b>   | <b>0.52%</b>   | <b>0.50%</b>   | <b>0.48%</b>   | <b>0.53%</b>   |

**Table 42: Overall Percentage (%) Impact on Total Annual Paybill of Paying NLW 2016-2020 by Industrial Sector**

| Industrial Sector                       | Total % impact of 2016 £7.20 NLW applied in April 2016 | Total % impact of 2017 £7.75 NLW applied in April 2017 | Total % impact of 2018 £8.20 NLW applied in April 2018 | Total % impact of 2019 £8.62 NLW applied in April 2019 | Total % impact of 2020 £9.07 NLW applied in April 2020 |
|---|--|--|--|--|--|
| Manufacturing                           | 0.34%  | 0.60%  | 0.59%  | 0.57%  | 0.63%  |
| Wholesale & retail trade                | 0.89%  | 1.34%  | 1.29%  | 1.21%  | 1.31%  |
| Accommodation & food service activities | 2.32%  | 2.92%  | 2.65%  | 2.42%  | 2.52%  |
| Administrative & support services       | 1.06%  | 1.39%  | 1.26%  | 1.18%  | 1.26%  |
| Education                               | 0.05%  | 0.13%  | 0.14%  | 0.14%  | 0.17%  |
| Human health & social work activities   | 0.35%  | 0.53%  | 0.50%  | 0.51%  | 0.55%  |
| All other activities                    | 0.14%  | 0.20%  | 0.20%  | 0.20%  | 0.23%  |
| <b>Total</b>                            | <b>0.34%</b>   | <b>0.52%</b>   | <b>0.50%</b>   | <b>0.48%</b>   | <b>0.53%</b>   |



## PERCENTAGE (%) IMPACT ON ANNUAL PAYBILL OF THOSE PAID NLW 2016-2020

Using the annual paybill for Northern Ireland employees aged 25 and over entitled to the NLW from the 2015 Annual Survey of Hours and Earnings as a base case, Tables 43 to 49 estimate the percentage increase in paybill for those employees aged 25 and over entitled to the NLW in subsequent years and their associated employee characteristics.

**Table 43: Percentage (%) Impact on Annual Paybill of those paid NLW 2016-2020 by Gender**

| Gender       | Affected %<br>impact of 2016<br>£7.20 NLW<br>applied in April<br>2016 | Affected %<br>impact of 2017<br>£7.75 NLW<br>applied in April<br>2017 | Affected %<br>impact of 2018<br>£8.20 NLW<br>applied in April<br>2018 | Affected %<br>impact of 2019<br>£8.62 NLW<br>applied in April<br>2019 | Affected % impact<br>of 2020 £9.07<br>NLW applied in April<br>2020 |
|--------------|---|---|---|---|--|
| Male         | 5.71%   | 6.09%   | 5.50%   | 4.86%   | 4.82%  |
| Female       | 5.67%   | 6.46%   | 5.39%   | 4.90%   | 4.89%  |
| <b>Total</b> | <b>5.69%</b>  | <b>6.29%</b>  | <b>5.44%</b>  | <b>4.88%</b>  | <b>4.85%</b>   |

**Table 44: Percentage (%) Impact on Annual Paybill of those paid NLW 2016-2020 by Work-pattern**

| Work-pattern | Affected %<br>impact of 2016<br>£7.20 NLW<br>applied in April<br>2016 | Affected %<br>impact of 2017<br>£7.75 NLW<br>applied in April<br>2017 | Affected %<br>impact of 2018<br>£8.20 NLW<br>applied in April<br>2018 | Affected %<br>impact of 2019<br>£8.62 NLW<br>applied in April<br>2019 | Affected %<br>impact of 2020<br>£9.07 NLW<br>applied in April<br>2020 |
|--------------|---|---|---|---|---|
| Full-time    | 5.48%   | 6.23%   | 5.42%   | 4.87%   | 4.81%   |
| Part-time    | 6.07%   | 6.38%   | 5.48%   | 4.90%   | 4.94%   |
| <b>Total</b> | <b>5.69%</b>  | <b>6.29%</b>  | <b>5.44%</b>  | <b>4.88%</b>  | <b>4.85%</b>  |

**Table 45: Percentage (%) Impact on Annual Paybill of those paid NLW 2016-2020 by Gender and Work-pattern**

| Gender &<br>work-pattern | Affected %<br>impact of 2016<br>£7.20 NLW<br>applied in April<br>2016 | Affected %<br>impact of 2017<br>£7.75 NLW<br>applied in April<br>2017 | Affected %<br>impact of 2018<br>£8.20 NLW<br>applied in April<br>2018 | Affected %<br>impact of 2019<br>£8.62 NLW<br>applied in April<br>2019 | Affected %<br>impact of 2020<br>£9.07 NLW<br>applied in April<br>2020 |
|--------------------------|---|---|---|---|---|
| Male full-time           | 5.51%   | 6.05%   | 5.47%   | 4.84%   | 4.78%   |
| Male part-time           | 6.43%   | 6.27%   | 5.64%   | 4.94%   | 4.98%   |
| Female full-time         | 5.45%   | 6.48%   | 5.37%   | 4.92%   | 4.86%   |
| Female part-time         | 5.93%   | 6.43%   | 5.42%   | 4.88%   | 4.92%   |
| <b>Total</b>             | <b>5.69%</b>  | <b>6.29%</b>  | <b>5.44%</b>  | <b>4.88%</b>  | <b>4.85%</b>  |

**Table 46: Percentage (%) Impact on Annual Paybill of those paid NLW 2016-2020 by Age group**

| Age group    | Affected % impact of 2016 £7.20 NLW applied in April 2016 | Affected % impact of 2017 £7.75 NLW applied in April 2017 | Affected % impact of 2018 £8.20 NLW applied in April 2018 | Affected % impact of 2019 £8.62 NLW applied in April 2019 | Affected % impact of 2020 £9.07 NLW applied in April 2020 |
|--------------|---|---|---|---|---|
| 25-34        | 5.95%   | 6.38%   | 5.45%   | 4.84%   | 4.90%   |
| 35-44        | 5.61%   | 6.45%   | 5.52%   | 4.84%   | 4.77%   |
| 45-54        | 5.36%   | 6.07%   | 5.43%   | 4.98%   | 4.80%   |
| 55-64        | 5.61%   | 6.02%   | 5.33%   | 4.90%   | 4.98%   |
| 65+          | 6.04%   | 6.86%   | 5.29%   | 5.00%   | 5.04%   |
| <b>Total</b> | <b>5.69%</b>  | <b>6.29%</b>  | <b>5.44%</b>  | <b>4.88%</b>  | <b>4.85%</b>  |

**Table 47: Percentage (%) Impact on Annual Paybill of those paid NLW 2016-2020 by Sector**

| Sector                          | Affected % impact of 2016 £7.20 NLW applied in April 2016 | Affected % impact of 2017 £7.75 NLW applied in April 2017 | Affected % impact of 2018 £8.20 NLW applied in April 2018 | Affected % impact of 2019 £8.62 NLW applied in April 2019 | Affected % impact of 2020 £9.07 NLW applied in April 2020 |
|---------------------------------|---|---|---|---|---|
| Public                          | 3.20%   | 5.94%   | 4.73%   | 4.80%   | 3.90%   |
| Private                         | 5.79%   | 6.34%   | 5.53%   | 4.89%   | 4.94%   |
| Non-profit body / mutual assoc. | 5.59%   | 6.12%   | 4.99%   | 4.74%   | 4.93%   |
| Unclassified                    | 6.61%   | 6.02%   | 5.54%   | 5.05%   | 5.10%   |
| <b>Total</b>                    | <b>5.69%</b>  | <b>6.29%</b>  | <b>5.44%</b>  | <b>4.88%</b>  | <b>4.85%</b>  |

**Table 48: Percentage (%) Impact on Annual Paybill of those paid NLW 2016-2020 by Occupation (SOC 2010)**

| SOC 2010 Occupations                | Affected % impact of 2016 £7.20 NLW applied in April 2016 | Affected % impact of 2017 £7.75 NLW applied in April 2017 | Affected % impact of 2018 £8.20 NLW applied in April 2018 | Affected % impact of 2019 £8.62 NLW applied in April 2019 | Affected % impact of 2020 £9.07 NLW applied in April 2020 |
|-------------------------------------|---|---|---|---|---|
| Assoc. professional & higher        | 6.79%   | 6.55%   | 5.46%   | 4.54%   | 5.02%   |
| Administrative & secretarial        | 5.51%   | 5.61%   | 5.22%   | 4.69%   | 4.57%   |
| Skilled trades                      | 5.18%   | 5.69%   | 5.51%   | 5.04%   | 5.01%   |
| Caring, leisure & other service     | 5.48%   | 6.57%   | 5.27%   | 4.97%   | 4.87%   |
| Sales & customer service            | 5.91%   | 6.32%   | 5.51%   | 4.97%   | 4.99%   |
| Process, plant & machine operatives | 5.36%   | 6.27%   | 5.52%   | 4.79%   | 4.76%   |
| Elementary occupations              | 5.84%   | 6.53%   | 5.47%   | 4.94%   | 4.80%   |
| <b>Total</b>                        | <b>5.69%</b>  | <b>6.29%</b>  | <b>5.44%</b>  | <b>4.88%</b>  | <b>4.85%</b>  |

**Table 49: Percentage (%) Impact on Annual Paybill of those paid NLW 2016-2020 by Industrial Sector**

| Industrial Sector                       | Affected % impact of 2016 £7.20 NLW applied in April 2016 | Affected % impact of 2017 £7.75 NLW applied in April 2017 | Affected % impact of 2018 £8.20 NLW applied in April 2018 | Affected % impact of 2019 £8.62 NLW applied in April 2019 | Affected % impact of 2020 £9.07 NLW applied in April 2020 |
|---|---|---|---|---|---|
| Manufacturing                           | 4.85%   | 6.08%   | 5.52%   | 4.80%   | 4.91%   |
| Wholesale & retail trade                | 5.69%   | 6.21%   | 5.62%   | 4.90%   | 4.88%   |
| Accommodation & food service activities | 6.41%   | 6.54%   | 5.70%   | 5.06%   | 5.15%   |
| Administrative & support services       | 6.42%   | 6.57%   | 5.55%   | 5.04%   | 4.70%   |
| Education                               | 3.24%   | 5.61%   | 5.44%   | 4.73%   | 3.71%   |
| Human health & social work activities   | 5.63%   | 6.47%   | 5.12%   | 4.95%   | 5.04%   |
| All other activities                    | 6.14%   | 6.25%   | 5.22%   | 4.70%   | 4.90%   |
| <b>Total</b>                            | <b>5.69%</b>  | <b>6.29%</b>  | <b>5.44%</b>  | <b>4.88%</b>  | <b>4.85%</b>  |



Department for the  
**Economy**  
[www.economy-ni.gov.uk](http://www.economy-ni.gov.uk)



**THE DEPARTMENT:**

Our aim is to promote learning and skills, to prepare people for work and to support the economy.

[This document is available in other formats upon request.](#)

**Further information:**

telephone: 028 9052 9230

email: [analyticalservices@economy-ni.gov.uk](mailto:analyticalservices@economy-ni.gov.uk)

Published research projects can be found on **the DfE website**