

Chancellor sets out plan to end low pay in the UK

- National Living Wage set to reach £10.50 by 2024 with a new target to reach two thirds of median earnings
- It will be extended to 23-year olds from 2021 and 21-year olds within five years
- This will be a pay rise of £4,000 a year by 2024 for the average full-time worker on the National Living Wage
- Follows commitments from the Chancellor to a multi-billion infrastructure investment in roads, buses and broadband and a levelling-up of devolved powers across the country

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Chancellor Sajid Javid MP today announced plans to end low pay in the UK with a new target for the National Living Wage and extending it to many more workers.

The

landmark extension to the rules on pay were announced by Sajid Javid in his keynote speech to the Conservative Party Conference today.

He

also unveiled a package of pledges backing “the People’s Priorities”. These include:

- A multi-billion pound **infrastructure investment** in local roads, buses and next generation broadband for hard-to-reach areas.
- A **£500m Youth Investment Fund** to build new youth centres and refurbish existing ones to give young people somewhere to go, something to do and someone to talk to.

- **Levelling up devolved powers across the country** to support local growth and deliver better public services where you live.
- A **£16.6bn commitment to replace EU funding for Scotland, Wales and Northern Ireland** up to 2030, if the UK leaves the EU without a deal.
- A **Brexit Red Tape Challenge online portal** to give businesses the opportunity to tell government where red tape can be cut to help them boost growth

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National Living Wage applies only to those over the age of 25. But today's announcement means that within five years two new targets will have been met – raising the value of the NLW to two thirds of median earnings and reducing the age limit to 21. Low pay is widely defined as being less than two thirds of median earnings.

Today's

announcement will benefit over 4 million people. By 2024, full-time workers on the National Living Wage will see an increase in their annual pay of over £4,000 a year compared to the earnings of a full-time worker on the current National Living Wage. On current projections, it means the NLW is set to rise to £10.50 by 2024.

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Chancellor of the Exchequer Sajid Javid said:

"Growing

up above the shop my mum made clothes for, I know the importance of backing hard-workers earning the lowest wages.

"It's

also important that we support young people starting to build a life for themselves.

"Because

of the hard work of the British people and the difficult decisions of successive Conservative governments we are now moving forward from a decade of recovery to a decade of renewal.

"We

will end low pay, deliver an infrastructure revolution and spread opportunity to every corner of country."

ENDS