



HOUSE OF COMMONS
LONDON SW1A 0AA

November 2018

Dear Constituent,

Thank you for contacting me about Citizens UK, 'Real Living Wage' campaign.

I appreciate that you would like to see all employers pay the Living Wage Foundation's 'Living Wage'. As you are aware, the Living Wage Foundation currently set this at £9.00 per hour (£10.55 per hour in London) and it is down to individual employers to decide whether or not to pay it.

I am generally supportive of efforts that encourage employers to pay employees a higher wage, if they can afford to do so; But I believe it should remain the responsibility of employers to ensure that their reward packages are competitive, in order to retain and develop the workforces which are fundamental to their success.

Following the recommendations of the independent Low Pay Commission (LPC), the National Living Wage (NLW) will increase from £7.83 per hour to £8.21 per hour in April 2019. This means a full-time minimum wage worker will be over £2,750 better off since the introduction of the NLW in 2016. In addition, I welcome that the tax free personal allowance will increase from £11,850 to £12,500 a year earlier than planned.

Ultimately, I want to see an economy that works for everyone and the LPC plays an important role in advising what a manageable rate is for employers without damaging employment. The LPC estimate that the NLW rate rise will benefit around 2.4 million workers and the objective is for the NLW to reach 60 per cent of median earnings by 2020. That said, the NLW is a floor, not a ceiling and employers should absolutely pay more if appropriate.

Thank you again for taking the time to contact me.

Yours faithfully,

A handwritten signature in blue ink that reads "Chris".

**CHRIS HEATON-HARRIS MP
MEMBER OF PARLIAMENT FOR DAVENTRY**