



GLAA Brief

Issue 91 – March 2026
Charge Rate Guidance

This Brief publishes the latest guidance on indicative minimum charge rates between labour providers and labour users, effective from 1 April 2026. This Brief replaces GLAA Brief 87.

Introduction

This indicative guidance sets out the minimum charge rates to apply between a labour provider and labour user. The rates cover statutory requirements as well as a basic overhead. This latest guidance takes account of new national minimum/living wages, increased labour sourcing and retention costs. The hourly minimum rate represents the National Minimum/Living Wage. Agricultural workers in Scotland, Wales and Northern Ireland, are subject to Agricultural Wages Orders and may have different minimum pay rates, allowances, overtime, sick pay and holiday pay rules. At the time of publication, the 2026 agricultural rates have not been published or agreed.

These rates are effective from April 2026. The rates do not include any margin for a labour provider's profit. The figures have been compiled for the GLAA by the Association of Labour Providers (ALP). This Brief replaces GLAA Brief 87.

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

NORMAL WORKING HOURS	Apprentices	Age 16-17	Age 18-20	Age 21+	Age 21+ w/ RHP
1. Minimum wage	£8.00	£8.00	£10.85	£12.71	£14.24
2. Employers' National Insurance ("NI") Contributions	-	-	-	£1.55	£1.78
3. Annual Holiday Pay (5.6 weeks entitlement)	£0.97	£0.97	£1.31	£1.76	-
4. Apprenticeship Levy (for businesses with over £3m pay bill)	£0.05	£0.05	£0.06	£0.07	£0.07
5. Pensions Auto-Enrolment Cost (3% of qualifying earnings)	-	-	-	£0.29	£0.34
6. Total Wage Costs	£9.01	£9.01	£12.22	£16.38	£16.43
7. Guideline Statutory Sick/Maternity Pay cost	£0.17	£0.17	£0.19	£0.20	£0.20
8. Guideline Minimum Labour Provider Overhead & Service Cost	£1.41	£1.41	£1.41	£1.41	£1.41
9. Hourly Cost of Supply (not including Labour Provider Margin)	£10.59	£10.59	£13.82	£17.99	£18.04

OVERTIME HOURS	Apprentices	Age 16-17	Age 18-20	Age 21+	Age 21 + w/ RHP
1. Minimum wage	£12.00	£12.00	£16.28	£19.07	£21.37
2. Employers' National Insurance ("NI") Contributions	-	-	-	£2.86	£3.21
3. Annual Holiday Pay (5.6 weeks entitlement)	£1.45	£1.45	£1.96	£2.72	-
4. Apprenticeship Levy (for businesses with over £3m pay bill)	£0.07	£0.07	£0.09	£0.11	£0.11
5. Pensions Auto-Enrolment Cost (3% of qualifying earnings)	-	-	-	£0.57	£0.64
6. Total Wage Costs	£13.52	£13.52	£18.34	£25.33	£25.33
7. Guideline Statutory Sick/Maternity Pay cost	-	-	-	-	-
8. Guideline Minimum Labour Provider Overhead & Service Cost	£1.41	£1.41	£1.41	£1.41	£1.41
9. Hourly Cost of Supply (not including Labour Provider Margin)	£14.93	£14.93	£19.75	£26.74	£26.74

Definitions and Explanations

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

1. The hourly minimum rate represents the National Minimum/Living Wage. Agricultural workers in Scotland, Wales and Northern Ireland, are subject to Agricultural Wages Orders and may have different minimum pay rates, allowances, overtime, sick pay and holiday pay rules. At the time of publication, the 2026 agricultural rates have not been published or agreed. The general rules for agricultural work in each of the devolved nations are as follows:

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

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

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

2. For workers aged 21 plus, Employer's National Insurance Contributions (ENIC) must be paid at 15% on earnings above the secondary threshold of £96.00 per week for workers aged above 21. The first £96.00 is NI free. For workers aged under 21, there is no ENIC paid on earnings up to £967 a week (the 'Upper Secondary Threshold'). This calculator will not be accurate for earnings in excess of £967 a week. For overtime rates, 15% is calculated on the whole amount, since the weekly threshold will already have been met in the basic pay.

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

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

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

- a. Agricultural workers in Scotland employed over the festive period are entitled to be paid for Christmas Day and New Year's Day, in addition to their normal holidays.
- b. Agricultural workers in Wales are entitled to a variable amount of "total annual holiday entitlement" depending on how many days per week they have retrospectively worked. Based on a 5-day week, workers are entitled to 31 days paid annual holiday from the first day of work equivalent to 13.54% of the hourly rate, NI and pension.
- c. After the completion of 12 months' continuous employment with the same employer, agricultural workers in Northern Ireland are entitled to 5.8 weeks paid annual holiday equivalent to 12.29% of the relevant hourly rate, NI and pension.

4. The Apprenticeship Levy applies to all employers with an annual payroll of over £3 million (including agency workers on contracts for services) and is a statutory charge of 0.5% on all pay elements subject to employer's NI.

5. Pension auto-enrolment is a statutory minimum of 3% of qualifying earnings for eligible workers who have not opted out. The calculation assumes all workers are eligible and enrolled on day one. However, most labour providers defer payment for the first three months, a proportion of workers will not be eligible, and a further proportion will opt out.

Again, this cost will be higher for overtime hours, as the relevant thresholds will already have been met through basic pay.

Labour providers may choose to calculate their actual cost of statutory pension provision across their business or an individual client and use this more accurate costing instead. This is a matter for commercial negotiation.

6. This figure shows the actual minimum unavoidable Total Wage Costs to meet minimum legal requirements.

7. Sickness absence is estimated at an average of 9.4 days per year, based on CIPD research. The ALP assumption is based on a 40-hour average working week across the year and includes statutory holiday pay accrued while a worker is off sick. Given the variability of absence and statutory leave patterns, the estimate also allows for the 7.8% of statutory maternity, paternity, adoption and shared parental pay that labour providers are required to fund.

From April 2026, the three statutory "waiting days" and the earnings threshold for Statutory Sick Pay (SSP) are removed. As a result, SSP will be payable from the first day of sickness to all eligible workers.

The SSP rate from April 2026 will be the lower of the statutory flat rate (£123.25) or 80% of average weekly earnings. This change is likely to increase SSP costs for part-time workers, including agency workers with limited or irregular hours.

The overall cost of SSP will also depend on actual sickness absence rates within the workforce. Where absence is higher than the 9.4 day assumption, actual SSP costs will increase; where it is lower, costs will reduce accordingly.

The number of hours worked will also impact the hourly cost of SSP.

For these reasons, labour providers may choose to charge their clients the actual cost of SSP, statutory maternity pay and other statutory payments, together with associated holiday accrual, at the point they arise rather than building an average allowance into charge rates. This remains a commercial decision between the labour provider and the client.

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

9. This is the total hourly cost of supply **but does not include any margin to cover labour provider profit.**

Further information

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



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