



UNITED KINGDOM

Hire international talent in
The United Kingdom



EMERALDTECHNOLOGY



Employment details in The United Kingdom

To start growing your team in the UK, you must establish a local entity, including an account with a local bank, a local office and an address registered as a subsidiary. This allows you to manage payroll, tax, benefits and compliance for your employees, but can take several months.

Emerald Technology can hire and payroll your workers, quickly and compliantly with their ready to go entity. So no more worrying about compliantly managing your international payroll. We handle everything in over 150 countries.

Make growing your team simple with Emerald as a global partner.



Currency

British Pound Sterling
(GBP)



Employer Costs

Estimated 17% of
employee's salary



Onboarding

48 hours with Emerald
Technology



Payroll Cycle

Monthly



Employer Costs

Apprenticeship Levy

This a form of taxation in the UK aimed at helping companies offer more apprenticeships. This levy is paid by employers at the rate of 0.5% of the employer’s total payroll and is collected monthly through PAYE.

Pension

All employers in the UK must offer a workplace pension and automatically enrol eligible workers. Employers must contribute at least 3% of the employee’s salary and the employee must contribute at least 5%, deducted after tax.

Social Security Contributions

Social contributions in the UK (NIS) are the sole responsibility of the employer.

Employer contributions are currently 15.05%. The tax authorities are responsible for administering social contributions.

Employee contributions are deducted before the NET amount of a salary is paid to the employee.

Contribution	Earnings
0%	£12,570
13.25%	£50,270

Benefits

Mandatory

UK employers are required to offer the following benefits to all full-time employees.

- Workplace pension
- Maternity and paternity pay
- Holiday / Annual leave pay
- Statutory sick pay



Additional

Some employers like to offer additional benefits to improve employee retention and satisfaction.

- Life Insurance
- Private Health Care
- Dental Care
- Training
- Discounts

Employment

Contract

Producing a contract of employment in the UK when recruiting is a legal requirement.

Creating a strong contract will help pacify any compliance concerns. An employer must provide the following in a contract:

- Start Date
- Job title
- Job description
- Working hours
- Days of work
- Place of work
- Pay

Probation Period

Whilst there is no legal requirement for a probationary period, employers typically set a probation of 3-6 months. It is unusual for a probationary period to exceed 12 months.

Emerald Technology can create a compliant contract in the UK in 24 hours.



Insurance

Healthcare

The UK has a National Health Service (NHS) for its residents which is free at the point of access.

Holders of most UK visas valid for six months or longer are required to pay an annual health surcharge of £624, known as the NHS Surcharge.

Some companies offer additional private healthcare to their employees as part of their contract.

Social Security

The UK social security system is known as the National Insurance Scheme (NIS). The scheme pays for national health services, statutory sick pay (SSP), statutory maternity pay (SMP), statutory paternity pay (SSP), state pensions and bereavement benefit. This is deducted before any NET payments are made to employees.

Leave Policy

Maternity Leave

Expectant mothers in the UK are entitled to 52 weeks of statutory maternity leave. This is made up of ordinary maternity leave for the first 26 weeks and additional maternity leave for the last 26 weeks. The total 52 weeks do not need to be taken but a minimum of two weeks' leave must be taken after the birth. Usually, the earliest maternity leave can start is 11 weeks before the expected due date.

Statutory maternity pay (SMP) is paid for 39 weeks. The first six weeks are paid at 90% of average earnings before tax. The following 22 weeks are paid at £156.66 or 90% of average weekly earnings, whichever is the lowest.

Tax and national insurance will be deducted as per normal wages.

Ready to expand your workforce to the United Kingdom?

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Paternity Leave

Expectant fathers in the UK are entitled to paternity leave for up to two weeks. The leave cannot start before the birth and must end within 56 days of the birth.

Fathers are entitled to statutory paternity pay (SPP) which is £156.66 or 90% of weekly earnings, whichever is the lowest.

Sickness Leave

If an employee is unable to attend work due to illness, a fit note also known as a sick note must be provided by a doctor after 7 consecutive days.

Employees are entitled to statutory sick pay (SSP) for 26 weeks at a rate of up to £96.35 per week. It is up to employers to ensure reasonable adjustments are made for disabled employees so as not to be disadvantaged when compared to non-disabled employees.

Onboarding

Details

As the legal employer, Emerald Technology requires the following employee documents to ensure complete compliance:

- ID/Passport
- Proof of right to work
- P-45 or P-46
- National Insurance Number

Emerald Technology can onboard employees in the UK within 48 hours.



Resignation and Dismissal

Details

An employee may unilaterally terminate their employment by providing written notice to their employer. Resignation notice periods vary but one month is typical.

In the UK, there is no at-will termination policy outside the probation period. Termination must be done with just cause. However, employees with less than two years' service can in theory be dismissed with no obligation to go through a disciplinary or dismissal process.

After two years, an employee has more rights where they can claim an unfair dismissal. Dismissal on the grounds of redundancy, conduct, or capability require different burdens of proof and notification.

When dismissing an employee in the UK, employers must provide written notice by email with confirmation receipt, or via standard mail. Employers must make any due payments including severance pay if applicable and any accrued holidays. Even if severance pay is not a statutory requirement, it is often recommended.

Severance

Employees terminated because of redundancy are entitled to severance pay. Below is how it is calculated:

Employee Age	Severance Pay
Up to 22 years old	0.5 weeks pay for each year of service
22 - 40 years old	1 week pay for each year of service
41+ years old	1.5 weeks pay for each year of service



Statutory Time Off

Annual Leave Full-time employees are entitled to a statutory minimum of 28 calendar days' annual leave per annum (pro rata for part-time employees).

Public Holidays It is up to employers whether public holidays form part of employees' statutory annual leave entitlement. There are usually 8 public holidays.

- New Year's Day
- Good Friday
- Easter Monday
- Early May Bank Holiday
- Spring Bank Holiday
- Summer Bank Holiday
- Christmas Day
- Boxing Day

Work, Pay and Taxes

Minimum Wage According to UK law, the salary paid to an employee may not be less than the current minimum wage.

Every April the UK increases minimum wage and living wage rates.

Age	Minimum Wage (hourly)
18-20	£7.49
21-22	£10.18
23+	£10.42



Working Time and Overtime

The standard working week in the UK is 37.5 hours per week, typically Monday to Friday.

However, this may vary depending on the industry a person works in and also the hours set out in a Contract of Employment. Overtime payment is not mandatory in the UK.

The UK has a legally mandated maximum 48 hour working week, under the 'Working Time Regulations'. Employees can choose to opt out if they wish. However, there may be some exceptions to this according to the industry a person is employed in.

Employees are legally entitled to a rest break of 20 minutes if they work more than 6 hours per day.

Salary Payments

Salaries are typically paid on a monthly basis for salaried employees and a weekly basis for employees who receive an hourly rate. However, this can vary and other payment schedules, such as fortnightly or four-weekly, are reasonably common. Salaries must always be paid in GBP.

Bonus

Employers are not required to provide employees a bonus. Any bonuses offered are at the employer's discretion.

Income Tax

The UK tax year runs from April to March.

Companies need to comply with the Real Time Information System (RTI). This requires all companies to report payroll information to Her Majesty's Revenue and Customs (HMRC) based on a Pay As You Earn (PAYE) on or before the date the employee is paid.

Taxes are deducted from the employees wages before the NET payment is made. Below is a table of tax thresholds for employees.

Discover how Emerald Technology can grow your international workforce risk-free.

Emerald is a global expansion partner, supporting B2B tech companies hire, onboard and payroll remotely across 150 countries. Handling local payroll, taxes, benefits and compliance in every region you want to expand your workforce.

Book a free consultation with our experts today, [click here](#).

