

Guidance for Applicants: Real Living Wage

Pen y Cymoedd Wind Farm Community Fund CIC is an accredited **Living Wage Employer** – our employees and contractors will always be paid at least the current real Living Wage hourly rate.

We are also a real **Living Wage Friendly Funder**. We strongly support and encourage applicants to pay their employees at real Living Wage levels. Requests for funding to employ staff should reflect Real Living Wage costs whenever possible. We do acknowledge that there may be strong reasons why this might sometimes not be possible for some applicants, but will always ask you to tell us how and why wage levels have been calculated.

You may also wish to consider becoming accredited with the Living Wage Foundation as a Living Wage Employer – you can find out more [here](http://www.livingwage.org.uk) - www.livingwage.org.uk

What is the Living Wage?

2020	The Minimum Wage Government Minimum for Under 25s	National Living Wage Government Minimum for Over 25s	Real Living Wage Based on what people need to live
What is it?	£8.20 <ul style="list-style-type: none"> • 18 – 20: £6.45 • Under 18: £4.55 • Apprentice: £4.15 	£8.72	£9.30
Is it the law?	Yes - created by the National Minimum Wage Act 1998	Yes – introduced in April 2016	No - voluntary
Age group covered?	21 - 24	25 and over	18 and over
How is it set?	Negotiated – Low Pay Commission advises, input from businesses and Trade Unions	A % of mid-point earnings, currently 55%, it aims to reach 60% of mid-point earnings by 2020 – the target is currently £9	Calculated by the Living Wage Foundation . Rates are independently calculated according to the cost of living, based on a basket of household goods and services.

Benefits of the Real Living Wage

When their wages are low, people have to spend less. This inevitably affects local economies. Paying a wage that has been calculated in relation to the actual cost of basic goods means that people are more likely to be able to buy them. If people in employment can afford to live life fully, everyone benefits: people are more likely to spend locally – boosting local economies.

Working with the Living Wage Foundation, Cardiff Business School surveyed over 800 accredited real Living Wage businesses, including Small and Medium Enterprises (SMEs). 86% reported that Living Wage accreditation had enhanced their organisation’s general reputation as an employer. Over half of employers reported that the Living Wage had improved both recruitment and retention, and that staff motivation was increased.

[Living Wage Foundation](http://www.livingwage.org.uk) website: www.livingwage.org.uk

NB: compliance with this guidance note does not guarantee that an application will be successful – it just gives an indication of our assessment process and criteria.