

# PRIME COST OF DAYWORK RATES BASED ON THE BATJIC AGREEMENT

June 29<sup>th</sup> 2015 to June 26<sup>th</sup> 2016

Notes	Calculations	
<b>1 BATJIC STANDARD HOURS AND HOLIDAYS INFORMATION</b>		
a) The total number of hours worked per annum (pa) without holiday pay = 2028hrs.	52 Weeks x 39 hrs/week = 2028 hrs pa	<b>What are the Prime Cost of Day Work Rates?</b>  The Prime Cost of Day Work Rates are a guide for employers showing them how to work out the real cost of employment so that it can be factored into quotes for work. They show the workings out for these calculations based on application of the current BATJIC working rule agreement and pay rates. However, they do not cover other costs such as workers travel or accommodation, and do not cover any of the non employment costs that employers need to factor into quotes for work such as administration, supervision, materials etc.
b) BATJIC pays 30 days holiday to a total of 234 hrs.	17 Days Annual Holiday at 8 hrs/day	
	5 Days Annual Holiday at 7 hrs/day	
	7 Days Public Holiday at 8 hrs/day	
	1 Day Public Holiday at 7 hrs/day	
c) This means that the standard number of hours worked pa = 1794	2028hrs total - 227hrs holiday = 1794 hrs	
d) This means that there are 46 weeks worked in a year.	30 days holiday divided by 5 working days per week = 6 weeks holiday per year.	

Examples		
Advanced Craft	Intermediate Craft	Adult General Operative
£448.50pw / £11.50phr	£386.10pw / £9.90phr	£337.35pw / £8.65phr

## 2. GUARANTEED MINIMUM EARNINGS

This is the amount of money paid to the worker for the hours worked. This excludes benefits and paid holiday. <b>Note:</b> Those applying intermittent and consolidated rates of pay for skill, should refer to Working Rule 1c of the BATJIC Working Rule Agreement, and adjust the pay rate accordingly.	Weeks worked pa x weekly pay = Net Total pa	46 x £448.50= £20,631.00	46 x £386.10= £17,760.60	46 x £337.35= £15,518.10
<b>NET TOTAL PA</b>		<b>£20,631.00</b>	<b>£17,760.60</b>	<b>£15,518.10</b>

## 3. BASIC EMPLOYERS COSTS AND CONTRIBUTIONS

a) Employers National Insurance Contributions (ENICs) are paid at 13.8% above earnings threshold of £156 per week.	((Weekly pay - £156) x 13.8%) x 52	£2,099.24	£1,651.00	£1,301.56
b) Holidays with Pay	Hourly rate x 234 Hours	£2,691.00	£2,316.60	£2,024.10
c) CITB Levy at 0.5% (for direct labour PAYE employees)	(Net Total pa + Holiday Pay) x 0.5%	£116.61	£100.39	£87.71
d) Workplace Pension Minimum employer contribution prior to 30 <sup>th</sup> Sept 2017 under pensions auto-enrolment rules is 1% of pensionable pay between £5,824 and £42,385	(Net Total pa + Holiday Pay - £5,824) x 1.0%	£174.98	£142.53	£117.18
e) Death Benefit	£9.13 x 12 months, plus £7.50 per annum	£117.06	£117.06	£117.06
<b>ANNUAL COST OF EMPLOYMENT</b>	Net Total + a + b + c + d + e	<b>£25,829.89</b>	<b>£22,088.18</b>	<b>£19,165.71</b>

## 4. HOURLY BASIC RATE

This is the amount that the employer will have to charge per hour per worker on that pay scale, to cover wages and direct employer's obligations. This sum does not include overhead costs, administration, materials, supervision etc.	$\frac{\text{Annual Cost of Employment}}{1794 \text{ standard working hours}}$	<b>£14.40</b>	<b>£12.31</b>	<b>£10.68</b>
---	--	---------------	---------------	---------------

## 5. NON PRODUCTIVE HOURLY BASIC RATE

This is the prime cost of employment per person, which the employer has to meet even if there is no work for the employee to do.	$\frac{(\text{Weekly pay} \times 46) + ((\text{Weekly pay} - £156) \times 13.8\% \times 46)}{1794 \text{ standard working hours}}$	<b>£12.67</b>	<b>£10.82</b>	<b>£9.38</b>
--	--	---------------	---------------	--------------