OCTOBER 2025

Living Wage Scotland

Living Wage Employer Accreditation Guide

An initiative from the Poverty Alliance, in partnership with the Living Wage Foundation, funded by the Scottish Government.

Living Wage accreditation celebrates employers that choose to go further than the government minimum, by paying the real Living Wage to all relevant workers.

This guide provides information on how to become an accredited Living Wage employer, the benefits of the real Living Wage, and how you can go further as a responsible employer.

Becoming a real Living Wage accredited employer signals a commitment as a responsible employer to employees, consumers and funders.

Table of Contents Page

What is the real Living Wage? 3

The process of accreditation 4

The accreditation journey 5

The benefits of the real Living Wage 6

Going further than the real Living Wage 7

FAQs 8-9

The real Living Wage is an hourly rate of pay, set independently and updated annually. It is calculated according to the basic cost of living in the UK and employers choose to pay it on a voluntary basis. The real Living Wage is currently £13.45 across the UK and £14.80 in London.

The Living Wage rates are updated annually. The calculation is overseen by the Living Wage Commission, an independent body drawn from leading Living Wage employers, trade unions, civil society and academics. The calculation is conducted by leading think tank The Resolution Foundation, and the methodology is based on the best available data and evidence on living standards in the UK.

The government's National Living Wage is not calculated according to what employees and their families need to live, but rather it is based on median earnings. The real Living Wage rate is the only UK Wage rate based on living costs. The real Living Wage covers all essential items such as housing costs, food, transport and childcare, as well as important purchases such as a winter coat for children.

KNOW THE DIFFERENCE APRIL 2025

Real Living Wage (UK)	National Living Wage	National Minimum Wage		
18+	21+	18 - 20	Under 18	Apprentice
£13.45	£12.21	£10.00	£7.55	£7.55

1. Directly Employed Staff

The accrediting employer must ensure that all directly employed members of staff aged 18 and over are paid at least the real Living Wage from the point of accreditation.

Note that apprentices are not within scope of the accreditation. See FAQs for more information.

2. Regular Contracted Staff

Accrediting employers must also ensure that all third-party contracted workers who regularly work on the premises (or other sites where the organisation carries out its work) are paid the real Living Wage. These workers are in-scope of the accreditation.

Typically, this might include contracted cleaners, catering, security and maintenance staff; however, the job roles carried out by regular contracted workers will vary in each organisation.

We define regularly as two or more hours in any given day in a week, for eight consecutive weeks.

Note that contracted workers do not need to be on the real Living Wage at the point of accreditation, provided there is a plan in place to uplift these workers to the real Living Wage rate within an agreed timescale. We refer to this phased implementation as milestones. See FAQs for more information.

3. Accreditation Fee

There is an annual fee for accreditation that varies according to the type of organisation and the total no. of staff (directly employed + regular contracted staff).

Accreditation fees support the work of the Living Wage movement and accreditation schemes. On approval of the licence agreement, the Living Wage Foundation licences the employer to use the Living Wage Employer Mark to signal their commitment publicly.

Organisation Type	Total Number of Staff	Annual Fee (excluding VAT)
Private Sector	501+	£3,530
Public Sector & Charities	501+	£564
All Sectors	251 - 500	£564
	51 - 250	£282
	11 - 50	£141
	0 - 10	£71

THE ACCREDITATION JOURNEY

Initial enquiry	START	Submit an enquiry to Living Wage Scotland online or by email.
Application Pack	START	You will then receive an Employer Guide and within 24 hours be invited to create a log in to your application dashboard
Directly Employed Staff	CHECK CRITERIA	Confirm payment of the real Living Wage to all directly employed staff aged 18 and over.
Contracted Workers	CHECK CRITERIA	Identify all third-party staff working regularly on your premises (or other sites where your organisation carries out its work). Contact the relevant service provider(s) to confirm payment of the real Living Wage or negotiate early implementation (milestone).
Milestones	CHECK CRITERIA	A milestone is a plan to uplift regular third-party staff to the real Living Wage within an agreed timescale. These are added to the application and are subject to approval by Living Wage Scotland.
Future Contracts	CHECK CRITERIA	Ensure that payment of the real Living Wage is included in all relevant procurement processes for contracted workers.
Submit Application	APPLY	Follow the 4 steps, which will ask you to complete information about your company and providing a guide to relevant aspects of Living Wage Implementation for your organisation. Upload copies of your organisation's logo for our website and your plaque. For impact monitoring purposes we also ask for the number of workers receiving a wage uplift to the real Living Wage.
Compliance Call	ACCREDIT	An Accreditation Officer may arrange a compliance call with your Primary Contact to go over your application.
Confirmation	ACCREDIT	Your Primary Contact will receive confirmation within 5-10 working days if the application is approved.
Accreditation Fee	ACCREDIT	Your Finance/Renewals contact will receive your annual invoice, via email, within a few days of confirmation.
Announce Accreditation	PROMOTE	Celebrate your accreditation by announcing on social media, local press, trade publications, etc. Ask about the support Living Wage Scotland can offer.
GO FURTHER	PROMOTE	Take your accreditation to the next level. See page 10 for more information.

Living Wage accredited employers say it makes business sense to pay the real Living Wage, and have reported the following benefits:

- Enhanced company and brand reputation
- Enhanced reputation as an employer
- Improved recruitment
- Improved retention
- Improved relations between staff and managers
- Differentiated organisation from competitors
- Increased commitment from employees
- Increased motivation of employees

Formal accreditation provides recognition of a commitment to the Living Wage and sends a public signal of an organisation's vision and values. The Living Wage employer mark is now widely recognised as the mark of a responsible employer.

Employees receiving a real Living Wage say it makes a real difference to their lives. By paying the real Living Wage, employers are choosing to ensure their staff can earn a wage that supports a decent standard of living. Employees have reported the following benefits:

- Fewer financial pressures/worries
- Ability to save and plan for the future
- Ability to afford the 'little extras'
- Feeling more valued by their employer
- Increased motivation at work
- Increased sense of loyalty
- Enhanced team relations and cohesiveness

By paying a wage that accurately reflects the cost of living, we can help to create a more just and compassionate society that promotes inclusivity and wellbeing. The real Living Wage continues to be a successful tool in freeing thousands of people from the grip of in-work poverty throughout Scotland.

Payment of the real Living Wage remains a fundamental part of the solution to in-work poverty, however, there are further actions that employers can take to ensure greater security for workers.

LIVING HOURS

Payment of the real Living Wage remains a fundamental part of the solution to in-work poverty, however, the shape of low-paid work has changed, with precarious work disproportionately affecting our lowest paid workers. The Living Hours programme builds on the existing Living Wage scheme and provides workers with security of hours and contracts. Find out more at Living Hours

LIVING WAGE PLACES

Living Wage Places provides an opportunity for employers from all sectors to work collaboratively to address in-work poverty and to re-build identity and prosperity within their local communities.

The Living Wage Places project puts the real Living Wage at the heart of local debates and celebrates local employer Action Groups for achieving recognition for a commitment to Making a Living Wage Place. Find out more at Living Wage Places

LIVING PENSIONS

The Living Pension standard builds on the work of the real Living Wage by providing stability and security for workers now and in the future. It is a voluntary savings target for employers, to help workers build up a pension pot that will provide enough income to meet basic everyday needs in retirement. Find out more at Living Pension

FURTHER READING

- Learn about our Living Wage employers: Employer Profiles
- Keep up to date with Living Wage news in Scotland: News
- Find out more about the benefits of a real Living Wage: The Benefits

If your question is not answered here or if you need further support, you can contact the Living Wage Scotland team at accreditation@povertyalliance.org

1. What do I have to do to accredit as a Living Wage employer?

The full criteria for accreditation can be found on page 4 of this guide, but in summary, the two key accreditation requirements are as follows: all directly employed members of staff aged 18 and over must be paid at least the real Living Wage; and, to the extent permitted by law, all regular contracted workers must be paid the real Living Wage.

2. Is there a fee for accreditation?

Yes, there is an annual fee for accreditation that varies according to the total number of staff and the type of organisation. See our fees table on page 4.

3. Are we required to pay apprentices the real Living Wage?

No, the accreditation scheme allows employers to exclude apprentices in recognition of the employer's commitment and associated training costs. Apprenticeships must be official and integral to a recognised trade or qualification. Note that many of our accredited employers choose to pay their apprentices the real Living Wage.

4. What about interns and volunteers?

Unlike apprenticeships, which are structured and audited schemes with a qualification awarded at completion, internships are not legally defined roles. Interns who are not explicitly exempt from a wage under UK Government guidelines must be paid the real Living Wage. Genuine volunteers (unpaid) are generally not within scope of the accreditation.

5. What is a milestone?

A milestone is a plan to uplift regular contracted workers to the real Living Wage within an agreed timescale. Unlike directly employed staff, contracted workers do not need to be on the real Living Wage at the point of accreditation, provided the accrediting employer and Living Wage Scotland have mutually agreed phased implementation of the real Living Wage for these workers.

6. How do we create a milestone for regular contracted workers?

Accrediting employers must work with their current contracted service providers to identify all regular contracted workers earning less than the real Living Wage. Contractors should be asked whether they would be willing to negotiate payment of the real Living Wage to these workers within a reasonable timescale. This plan would form the basis of a milestone.

7. What if my organisation has a large or complex supply chain?

Many large private and public sector organisations have already accredited as Living Wage employers, with guidance and support from the Living Wage Scotland team. If you have a large or complex supply chain, we strongly recommend an initial meeting to discuss how the criteria and process will apply to your business.

8. What about future contracts?

The accrediting employer must ensure that all relevant future contracts are awarded based on payment of the real Living Wage to regular third-party workers. For organisations subject to public sector procurement regulations, Fair Work practice can be adopted to ensure that, to the extent permitted by law, contracted workers receive the real Living Wage. Our team can help with more information, including best practice.

9. We are located in a shared building with shared services provided by the landlord. Should we consider these workers for our accreditation?

Yes, regular third-party staff working for you on your premises should be considered in-scope for your accreditation. Accrediting employers must work with their landlord to identify workers earning less than the real Living Wage (e.g. cleaning staff). Your landlord might be persuaded to pay the real Living Wage, or you could negotiate a service level agreement to ensure these workers receive the real Living Wage for the hours worked for you. Our team can offer more advice.

10. Can bonuses be included in the real Living Wage rate?

Only guaranteed cash payments can be included in the real Living Wage calculation. For example, an employer could include a guaranteed allowance for inner city weighting or time away from home, but performance or productivity related bonuses cannot be included.

11. What about pension contributions and salary sacrifice schemes?

Employer contributions to pensions cannot form part of the Living Wage calculation under any circumstances. An employee's pension contributions may take their take-home pay below the Living Wage hourly rate. Living Wage accreditation allows for a salary sacrifice to form part of the Living Wage payment, but only if the benefit is opt-in, rather than opt-out.

12. When do I have to implement the new rate?

The real Living Wage rates are updated annually and accredited employers should implement the new rate by the beginning of May the following year. Accrediting employers accredit at the current rate (e.g. the new rate, if accrediting after the announcement).

Living Wage Scotland

Get in touch

accreditation@povertyalliance.org

www.livingwagescotland.org

livingwagescotland

livingwagescotland

livingwagescotland.bsky.social

@LivingWageScot

An initiative from the Poverty Alliance, in partnership with the Living Wage Foundation, funded by the Scottish Government.