

# Wage Bill Forecasting Tool

## Disclaimer and Information

We are pleased to introduce Armstrong Watson's Wage Bill Forecasting Tool, developed by our Payroll Service Line in collaboration with our Information Technology team. This tool is designed to help businesses estimate their wage bills starting from April 2025.

To ensure simplicity and timely availability, we have made certain assumptions in the tool's operation:

### 1. Data Population:

- The calculations are only as accurate as they can be based on the data you manually input. If you are a payroll client of Armstrong Watson, we are able to provide this service for you based on the information we currently hold. Please get in touch with your usual payroll contact if you would like us to do this.

### 2. Assumptions Made:

- **Date of Birth:** Please enter in the format DD/MM/YYYY
- **Basic Weekly Hours:** Please enter in number format.
- **Hourly Rate:** Please enter in number format.
- **Annual Salary Calculation:** This is automatically calculated using the formula: weekly hours x hourly rate x 52 weeks. Note: This should not be used for National Living/Minimum Wage compliance checks, as those are based on pay reference periods and actual hours worked, and not a 52-week year.
- **Pension Calculation:** Based on automatic enrolment rules, using thresholds and the employer mandatory rate of 3% on earnings between the lower level threshold and the higher threshold.
- **Employer National Insurance calculation:** This calculation is based on the standard rate of National Insurance under Category A and therefore will not include any reliefs for example under 21, Veterans or apprentices etc. The calculation also assumes all employers are eligible for the Employment Allowance reduction to £10,500 so will not account for individual company circumstances that make the business ineligible, e.g. de-minimis aid grants or single director etc.
- **Date of birth and age rate:** the calculation for the National Living/Minimum Wage rate and eligibility to the pension scheme is based on the date of birth and age as of 1 April 2025, E.g. if age changed on 2 April 2025 it will not account for this change. If over State Pension Age as at 1 April 2025, the sheet will not calculate any pension contributions including any historical pension scheme membership.

### 3. Tool Usage:

- Totals: Will appear in column B, rows 8 to 14.
- Formulas: Please do not amend any formulas, as this will cause the tool to stop working.

**This tool is designed to provide an estimate of forecasted wage costs only. Armstrong Watson cannot be held responsible for any data outcomes or inaccuracies therein.**