

## **Newsletter - Employment Law Update August 2025**

- 1. National Minimum Wage**
- 2. Employment Tribunal Cases**

### **1. National Minimum Wage**

The Low Pay Commission has revealed its latest projections for the National Minimum Wage.

The Government has asked the LPC to “ensure that the National Living Wage rate does not drop below two thirds of UK median earnings for workers in the NMW population, a recognised measure of low hourly pay”. The LPC’s updated central estimate of the NLW that will be required from April 2026 to ensure the NMW does not fall below two-thirds of median earnings is £12.71 per hour (a 4.1% increase from the current rate of £12.21 per hour). However, due to difficulties in predicting this figure, the LPC has projected a range around its central estimate from £12.55 to £12.86 per hour.

The LPC’s recommendations are not based on formula alone. It is also required to consider economic conditions and factors including the cost of living, inflation forecasts between April 2026 and April 2027 and the impact on the labour market, business and competitiveness. For that reason, the figures are indicative only and may be changed.

These latest estimates have already increased since the LPC’s previous projections in May 2025. The NMW rate for April 2026 that is recommended by the LPC in October 2025 may be higher again than these current projections if wage growth continues to be stronger than forecast.

### **2. Employment Tribunal Cases**

ACAS has seen a 41% increase in the number of disability discrimination cases it received for conciliation, according to analysis of its latest data. In 2024-25 ACAS received 11,958 disability discrimination cases, compared to 8496 in 2023-24.

In most cases, employees are required to notify ACAS before they can proceed with an employment tribunal case. ACAS will offer the prospective claimant an early conciliation with the aim of resolving the case before a formal claim is submitted. Normally, this involves agreeing a sum of money to pay the claimant off.

ACAS data on the outcomes of employment tribunal claims found that 77% of employment tribunal cases received did not progress to a hearing in the first three months of 2025, down slightly from 79% in October to December 2024. Around 71% of cases that did not progress to tribunal were settled by ACAS and the remaining cases were withdrawn.

#### **PROFILE**

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