

## What is the real Living Wage?

The real Living Wage is one of the clearest ways a supplier can demonstrate that it adopts Fair Work practices.

The real Living Wage should not be confused with the National Minimum Wage (including the “national living wage”), which is the legal minimum an employer must pay an employee and is set by the UK Government.



The real Living Wage is a voluntary wage rate of pay which is calculated by the Resolution Foundation and overseen by the Independent Living Wage Commission. These figures are calculated annually and announced in October / November.

The real Living Wage applies to all employees 18 and over in recognition that young people face the same living costs as everyone else. Scottish Living Wage Accreditation does not require employers to pay the real Living Wage to volunteers, apprentices or interns.

### **Benefits of paying the real Living Wage**

[Research](#) shows that paying the real Living Wage helps businesses recruit and retain better staff, reduce absenteeism, encourage higher productivity and 93% of businesses say that Living Wage accreditation has improved their reputation.

### **Why the real Living Wage is needed?**

- 467,000 people in Scotland don't earn the real Living Wage.
- 182,000 children in Scotland live in poverty despite having one person in their household in work.

\* Figures as at summer 2018

### **Calculating the real Living Wage**

The real Living wage calculation takes into account the Joseph Rowntree Foundation Minimum Income Standard research in which members of the public identify what is needed for a minimum income standard of living. This is then combined with an analysis of the actual cost of living, including essentials like rent, council tax, childcare, and transport costs for different family types to produce the hourly real Living Wage figure, sufficient to ensure that the recipient may enjoy an acceptable standard of living. [The Scottish Living Wage Accreditation Initiative](#) provides more information.

### **How is a public body's Living Wage accreditation status affected by its procurement activity?**

The real Living Wage cannot be a mandatory requirement of a procurement process, however a public body will meet with the terms of Accreditation by complying with the requirement to have regard to the [Statutory Guidance on Addressing Fair Work Practices, including the Living Wage, in Procurement](#).