

**PRIME COST OF DAYWORK RATES BASED  
ON THE BATJIC AGREEMENT  
JUNE 15 2009 TO JUNE 13 2010**

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	<p align="center"><b>What are the Prime Cost of Day Work Rates?</b></p> <p>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.</p>
b) BATJIC pays 29 days holiday to a total of 227 hrs	17 Days Annual Holiday at 8 hrs/day	
	4 Days Annual Holiday at 7 hrs/day	
	7 Days Public Holiday at 8 hrs/day	
c) This means that the standard number of hours worked pa = 1801 hrs	1 Day Public Holiday at 7 hrs/day	
	2028hrs total - 227hrs holiday = 1801 hrs	
d) This means that there are 46.2 weeks worked in a year	29 days holiday divided by 5 working days per week = 5.8 weeks holiday per year.	

Examples		
Advanced Craft	Intermediate Craft	Adult General Operative
£405.99pw / £10.41phr	£349.05pw / £8.95phr	£301.47pw / £7.73phr

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	46.2 x £405.99 = £18,756.74	46.2 x £349.05= £16,126.11	46.2 x £301.47= £13,927.91
<b>NET TOTAL PA</b>		<b>£18,756.74</b>	<b>£16,126.11</b>	<b>£13,927.91</b>

3. BASIC EMPLOYERS COSTS AND CONTRIBUTIONS				
a) Employers National Insurance Contributions (ENICs) are paid at 12.8% above earnings threshold of £110 per week.	( (Weekly pay - £110) x 12.8% ) x 46.2 weeks pa	£1,750.52	£1,413.72	£1,132.36
b) Holidays with Pay	Hourly rate x 227 Hours	£2,363.07	£2,031.65	£1,754.71
c) CITB Levy at 0.5% (for direct labour PAYE employees)	(Net Total pa + Holiday pay) x 0.5%	£105.60	£90.79	£78.41
d) Stakeholder Pension	Employees contribution up to £13.50 x 52 Weeks	£702.00	£702.00	£702.00
e) Death Benefit	£8.40 x 12 months	£100.80	£100.80	£100.80
<b>ANNUAL COST OF EMPLOYMENT</b>	Net Total + a + b + c + d + e	<b>£23,778.73</b>	<b>£20,465.07</b>	<b>£17,696.19</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.	$\frac{\text{Annual Cost of Employment}}{1801 \text{ standard working hours}}$	<b>£13.20</b>	<b>£11.36</b>	<b>£9.83</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.	$\frac{\text{Net Total + ENICs}}{1801 \text{ standard working hours}}$	<b>£11.39</b>	<b>£9.74</b>	<b>£8.36</b>

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All calculations above have been made based on the rounding of all numbers to two decimal places at every stage of calculation.**