FAQ – True Cost Calculator

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True Cost Calculator

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Upon entry of an Hourly Rate, the system derives the **True Cost** by applying a **36% uplift factor** (multiplier of 1.36). This uplift consolidates statutory and contractual employer on-costs applicable in the United Kingdom for the 2025/26 tax year, specifically:

- Paid but non-productive time (holiday entitlement, sickness absence, formal training),
- Employer's National Insurance contributions at 15% above the secondary threshold, and
- Minimum pension contributions under automatic enrolment.

The application of the 36% factor provides a standardised estimate of the employer's actual hourly employment cost.

Illustrative example: An Hourly Rate of **£12.00** results in a calculated True Cost of **£16.32** (£12.00 × 1.36).

Note: Actual employer costs may vary depending on specific contractual terms, pension scheme arrangements, earnings thresholds, and other statutory obligations. The uplift factor is therefore intended as a reasonable standard estimate rather than a precise calculation in every circumstance.

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