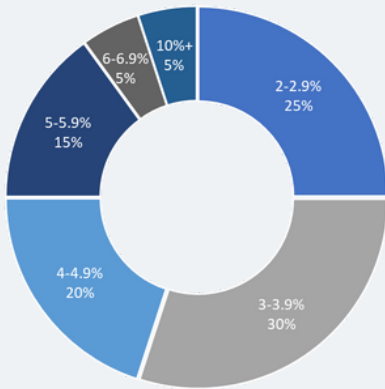


Vero HR Executive Insights: 2025 Salary Review

The results from our recent poll suggest that for 2025, similar to 2024, most organisations are planning to award traditional annual salary increases by tracking and taking into account CPI (2.8% in February 2025) rather than looking to award one-off cost of living payments.

This year, there is a clear difference in proposed salary increase percentage between employers with less than 50 employees and those with 250 and above. This could be due to the upcoming increase in employer National Insurance Contributions (NICs) rates. Find the results of the poll below:

Average % increase across all respondents



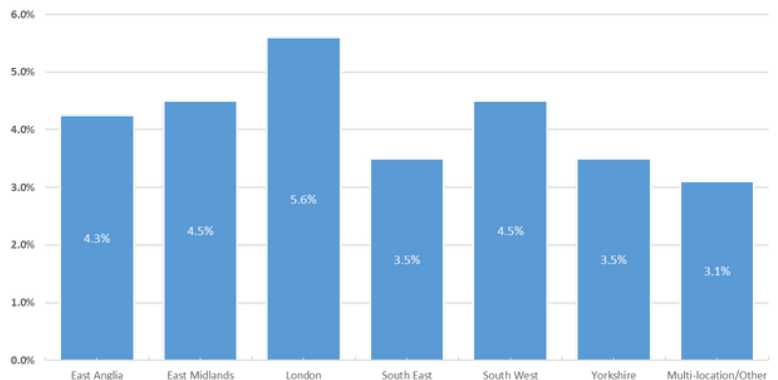
55% of responding clients are proposing to offer between 2% and 4% in 2025.

None are planning to award less than 2% (for the second year in a row), nor is anyone proposing to award between 7% and 9.9%.

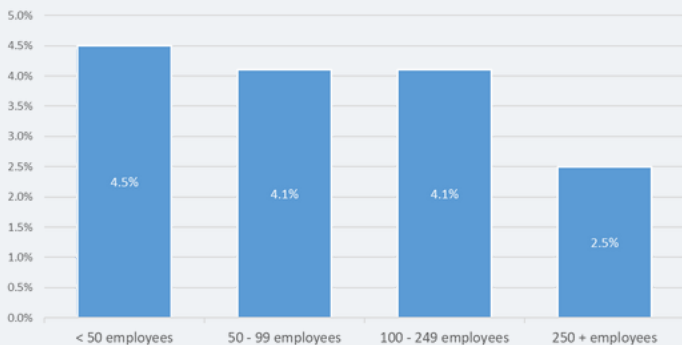
Just 5% of respondents sit at the top end of the scale, planning to increase salaries by 10% or more.

The proposed salary increases vary across the UK, with organisations in the London area planning to award the highest at an average of 5.6%.

Average % increase by location



Average % increase by organisation size



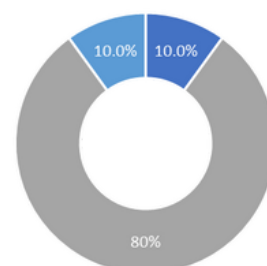
On average, organisations with 50-99 employees and 100-249 employees are proposing the same salary increase (4.1%), while those with less than 50 employees are planning to offer the highest (4.5%) and those with 250+ are proposing the lowest (2.5%).

The upcoming increase in employer National Insurance Contributions (NICs) rates could be an influencer in this correlation, with increased financial pressure on those organisations with a higher number of employees.

More than three-quarters (80%) of responding clients said they are not planning to offer any cost of living payments in 2025.

For the remaining organisations, it's an even split between 'Yes' (10%) and 'Unsure' (10%).

Are you offering cost of living payments in 2025?



■ Yes ■ No ■ Unsure