

How Much Does A Nanny Cost?

The Nannytax Salary Index 2020/2021

www.nannytax.co.uk

The Nannytax Salary Index

Using data sourced directly from our payroll records

The Salary Index is an annual nanny salary report exclusive to Nannytax. Each year we bring you the latest average nanny salary figures across the UK.

As the largest nanny payroll provider in the country, we have salary data for thousands of nannies across the UK. The data we use is sourced directly from our payroll records and relates to the 20/21 tax period which started on the 6th April 2020 and ended on 5th April 2021. This allows us to provide a full snapshot of the year in line with rates and thresholds for this period.

Our Nanny Salary Index is a resource designed to give families a starting point when assessing the costs of employing their nanny.

The salary figures we present in this report should be used as a guideline. As with any position, we would encourage you to also consider the candidate's experience and qualifications when agreeing a salary.

We hope you find our Index useful and wish you the best of luck as you embark on your nanny employment journey.



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Your complete salary guide

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A Message From Our Managing Director

Back in 1993 we started out as the first ever UK nanny payroll bureau and since then we have continued to grow.

We now deliver a multi award-winning nanny payroll service that gives families end-to-end support with the employment of their nanny. This includes a contract of employment, payslips and support with any HR and legal matters.

We also offer optional service add-ons such as Nannytax Plus where we make the monthly salary and HMRC payments on your behalf, Nanny Employers Liability Insurance and our fully managed Nanny Pensions service.

All Nannytax customers have their own online Employer Members Area to make accessing payslips and logging records such as holiday and overtime, convenient and hassle free. To support nannies, we developed their own Nanny Members Area to provide easy access to their payslips and much more.

Our goal is to remove the stress and hassle of time-consuming employment admin, tax calculations, HR paperwork and provide dedicated support with the various on-going legal aspects of employing a nanny. We are here to help you be the best employer you can be.

"So many businesses rely on skilled payroll teams, a human resource department, and insurance and pension advisors and with Nannytax, you can too. Think of my team as your very own 'inhouse' professional and friendly nanny employment experts who are on hand to support you every step of the way."



Jenni Bond, Managing Director

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Jenni Bond, Managing Director

Give us a call

If you would prefer to talk to someone about our services, a member of our team will be happy to help, just call us on 020 3137 4401 – we're open 7 days a week!

www.nannytax.co.uk

mailbox@nannytax.co.uk

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A Tribute to Nannies

The Impact on Childcare

In 2020 the whole world was struck by the outbreak of Covid-19. With the closure of nurseries and schools, the pandemic took a real toll on the childcare industry.

During this time, nannies were confirmed by the Government as one of the only childcare providers able to continue to work.

How Nannies Stepped Up

Through fear and uncertainty for all, so many nannies stepped up to the mark and continued to work for their families; maintaining the children's routines, supporting with home schooling, and helping them adapt to 'a new normal'.

This allowed families of key workers to fulfil their own vital roles and enabled other working parents to continue with their jobs from home.

To all those nannies who worked during this pandemic, you have been a life-ring for our country and helped teach our next generation how to cope with a pandemic. We are proud to represent this industry and will continue to shine a light on nannies who are such a vital group to the Early Years childcare sector.

The Impact of Covid-19 on Nannytax

In April 2020 the government confirmed that those who employed nannies and paid them through PAYE could

utilise the Coronavirus Job Retention Scheme (CJRS). Although this was a relief for our nanny childcare industry, as a payroll bureau operating 10,000+ PAYE schemes we had a real challenge on our hands. Furloughing was a lengthy and challenging process that we were happy to support our customers' with.

Our IT and Development team rose to the occasion and built a furlough portal from scratch in just under 2 weeks. This online platform guided our Nannytax families through each of the steps required to furlough their nanny and submit the salary claims to HMRC.

"We are finding that many families are newly interested in the services of in-home childcare provided by a professional nanny. Many of these families have not used a nanny before, and now realise the benefits of flexibility and safety in their home setting. This is most welcome, as many nannies have worked tirelessly to support families through the pandemic it's wonderful to see their hard work rewarded by such an uplift in salaries."

Frankie Gray, Founder and Director of Harmony at Home

Key Nanny Furlough Stats

Our furlough data shows that a mass majority of nannies continued to work.



36% of Nannytax customers furloughed their nannies between April 2020 and April 2021.



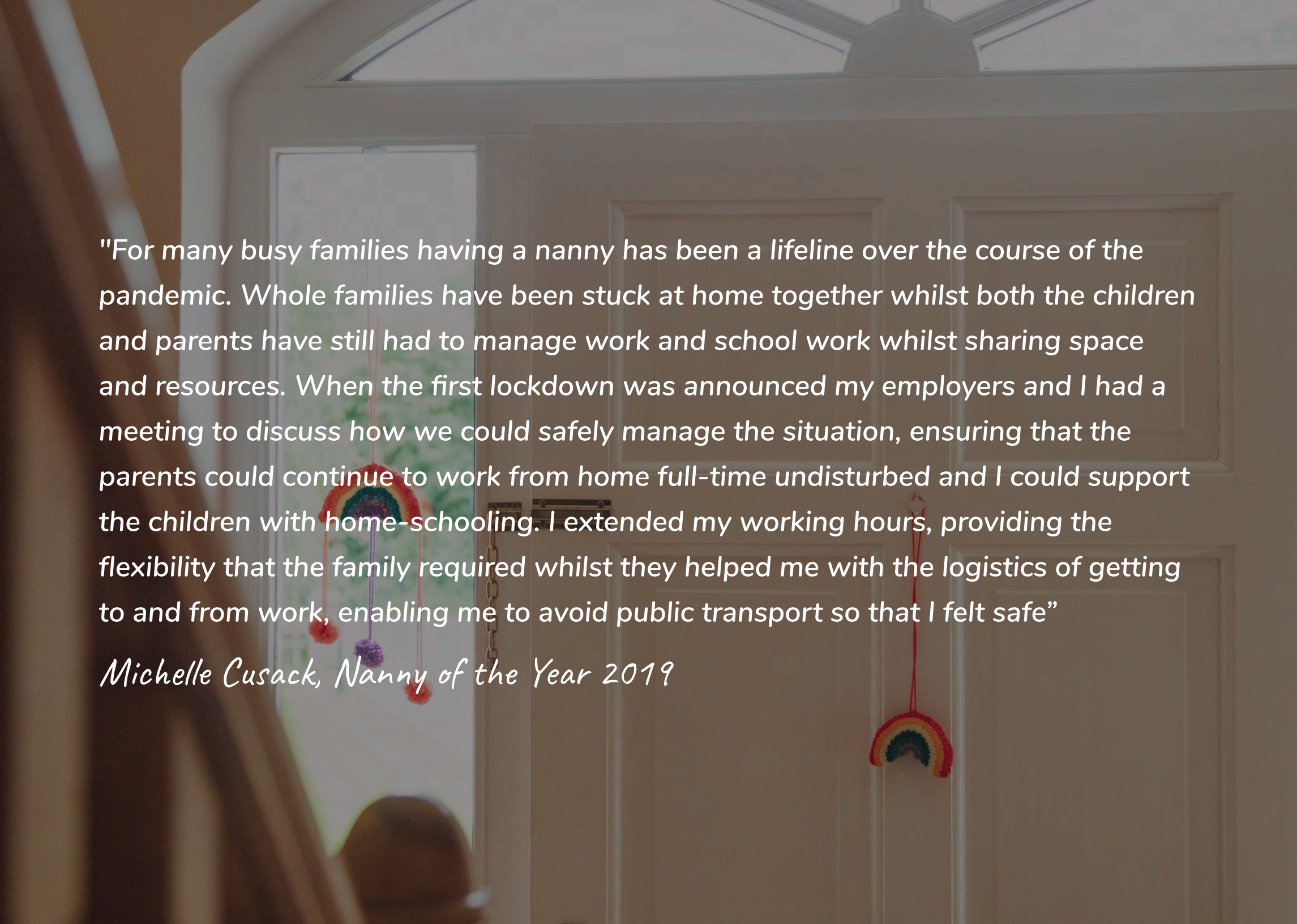
64% of nannies continued to provide childcare during the pandemic.



28% increase in the number of nannies working in lockdown 3 (Jan 2021) in comparison to lockdown 1 (March 2020).



25% increase in Nannyinsure nannies working in lockdown 3 (Jan 2021) in comparison to lockdown 1 (March 2020).



"For many busy families having a nanny has been a lifeline over the course of the pandemic. Whole families have been stuck at home together whilst both the children and parents have still had to manage work and school work whilst sharing space and resources. When the first lockdown was announced my employers and I had a meeting to discuss how we could safely manage the situation, ensuring that the parents could continue to work from home full-time undisturbed and I could support the children with home-schooling. I extended my working hours, providing the flexibility that the family required whilst they helped me with the logistics of getting to and from work, enabling me to avoid public transport so that I felt safe"

Michelle Cusack, Nanny of the Year 2019

How We've Switched up our Nanny Salary Data

Our Nanny Salary Index is a report we pride ourselves on providing an accurate insight into the most current nanny salaries across the UK. We promise to always be transparent with how we pull this data so you can feel confident in the salary figures we provide.

These are the changes we made to ensure we can continue to fulfil this promise:

Removed Furloughed Nanny Data

We have removed any salary data related to nannies who have been on furlough as our nanny salary records were reflective of the 80% salary claimed through furlough, as opposed to the salary the nanny was contracted to.

Excluded Live-in Nanny Data

This year we have not shared up to date data for Live-in nannies as some of our Nannytax nannies temporarily switched to a Live-in role, most evidently during the national lockdowns.

This meant their salary record was not necessarily pertaining to the usual live-in salary parameters.

Under normal circumstances, a Live-in nanny salary will generally be less than Live-out due to the provision of accommodation, food and other supplies.

So that you still have a guideline to reference, we have included last year's average Live-in nanny pay rates on page 17.

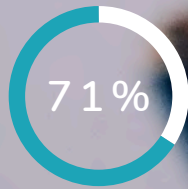
Presented Hourly Salary Rates Only

This year we have presented our average gross salary figures as hourly rates only.

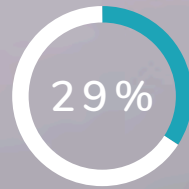
Why?

The popularity of part time nannies is on the rise – After School Nannies and Nanny Shares are in high demand for modern day working parents who continue to seek more flexibility in their childcare arrangements.

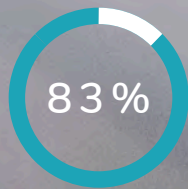
The weekly and annual conversions we presented previously alongside the hourly rate were based on a nanny with a 50 hour working week. Therefore this would not be representative of the annual salary for parents looking to employ a part time nanny.



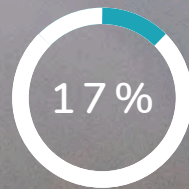
OF NANNIES ARE
PAID MONTHLY



OF NANNIES ARE
PAID WEEKLY



OF FAMILIES AGREE
A GROSS SALARY



OF FAMILIES AGREE
A NET SALARY



2021 Saw An Increase in Nanny Salaries Across the UK

The five-year comparison table shows a snapshot of how salaries have changed over the years. These figures are based on a live out nanny working 50 hours per week, on the average gross salary illustrated in the hourly column.

The data collected for the 20/21 tax year, shows an increase to the average nanny salaries through out the UK, when compared with the previous tax year.

Salaries can be impacted by several factors, such as changes to the tax, national minimum wage, and pension rates.

April 2020 saw an increase in the National minimum wage rates, which could also play a factor in the increase of salaries from the prior year. For individuals aged 25+ the minimum wage rose from £8.21 (April 19) to £8.72 (April 20).

"Brexit, closely followed by the global pandemic has had a huge impact on Nanny salaries. We see on average a starting hourly rate of £14 gross for nannies, and this shifts up considerably when additional skills are required (languages or educational qualifications). "

Lucy Challenger, CEO and Founder of Polo & Tweed

LONDON					
	HOURLY	WEEKLY	MONTHLY	ANNUAL	% CHANGE
20/21	£14.12	£706	£3,059	£36,712	5.77%
19/20	£13.35	£668	£2,893	£34,710	-0.00%
18/19	£13.35	£668	£2,893	£34,721	8.13%
17/18	£12.35	£617	£2,676	£32,110	15.82%
16/17	£10.66	£533	£2,310	£27,725	-19.76%

HOME COUNTIES & GREATER LONDON					
	HOURLY	WEEKLY	MONTHLY	ANNUAL	% CHANGE
20/21	£13.26	£663	£2,873	£34,476	18.92%
19/20	£11.15	£558	£2,416	£28,990	-6.843%
18/19	£11.91	£596	£2,581	£30,973	5.60%
17/18	£11.28	£564	£2,444	£29,328	-15.73%
16/17	£13.39	£669	£2,900	£34,801	11.63%

REST OF UK					
	HOURLY	WEEKLY	MONTHLY	ANNUAL	% CHANGE
20/21	£11.10	£555	£2,405	£28,860	5.81%
19/20	£10.49	£525	£2,273	£27,274	-4.48%
18/19	£10.96	£548	£2,374	£28,496	8.40%
17/18	£10.11	£506	£2,191	£28,286	-1.97%
16/17	£10.31	£516	£2,235	£26,814	5.88%

Average salaries have been calculated from Nannytax payroll data for the 2020/21 Tax Year. All figures are shown in gross and have been rounded to the nearest pound. Please note, these figures are intended for guidance purposes only. As with any industry, a nanny's salary can fluctuate depending on the individuals' qualifications, skills, and experience. We recommend that you consider these factors when agreeing the salary.

Calculating The Gross Annual Salary

When calculating an annual salary, you will simply need to multiply the gross hourly rate by the number of hours your nanny will be working per week. This will give you the weekly gross salary, which can then be multiplied by the number of weeks worked per year to get the annual gross salary.

For example, the calculation for a permanent nanny working 30 hours per week on a gross rate of £15 per hour, would be as follows:

01

30 hours per week X £15 gross per hour
= £450 gross per week.

02

£450 gross per week X 52 weeks per
year = £23,400 gross per annum.

The annual salary for the nanny would therefore be **£23,400 gross per annum.**

In addition to calculating the gross salary, we would recommend that you also consider the total costs associating with hiring a nanny.

Employers Total Cost

When employing a nanny, it is important to have an idea of the total cost to you the employer. In addition to the Gross Salary, you will also need to consider the employers contributions towards National Insurance, Tax and Pensions (where applicable).

You can use our Nannytax Salary Calculator to help you work out the total cost of hiring a nanny.

Don't forget to click the "Email me this calculation" button so that you receive a copy of the breakdown, for you to refer to later on.

Understanding Gross

Gross Pay = Net Pay (take home pay) + Employees
Nation Insurance + Tax + Pensions (where applicable)

#GoGross – Founded by NALO

The #GoGross campaign aims to shine a light on the benefits of going gross as we continue our mission to raise the payroll standards for nannies across the UK. Nannies should not be forgotten about when it comes to tax, statutory rights and other employment benefits.

Who are NALO?

Nalo (The Nanny Lounge) provide a supportive community for nannies in the UK and help nannies to receive the information, advice and guidance they need to be the best they can.



www.nalonannies.co.uk

How can I work out the Gross salary from a Net?

Simply multiply the gross hourly rate by the number of hours your nanny will be working per week. This will give you the weekly gross salary, which can then be multiplied by the number of weeks worked per year to get the annual gross salary.

You can use our online Salary Calculator to convert a Net salary into a Gross salary.

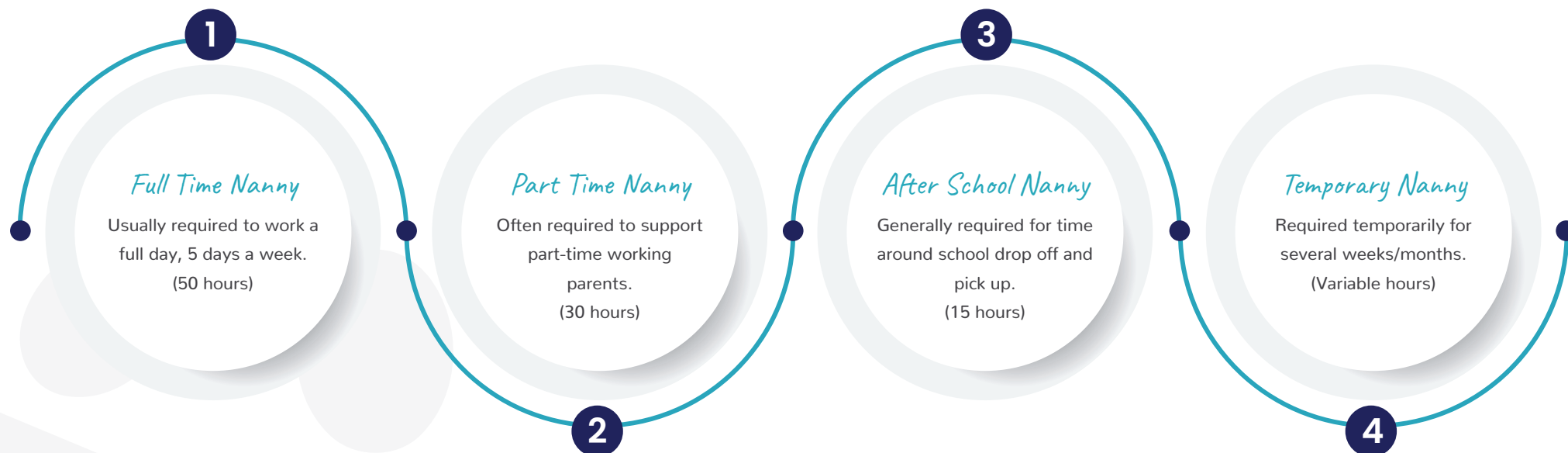
Similarly, if you have a Gross figure but wish to know what the nanny's take home pay will be, you can select gross to net to calculate this too.



www.nannytax.co.uk/gross-to-net-salary-calculator

Different Types of Nanny Jobs

Before you embark on your nanny search, we recommend doing a little research into the types of nannies available. This will help you identify your needs and what kind of nanny would be the most suitable. A nanny's job can vary depending on the hours, flexibility and childcare arrangement you require.



Find out more about the different types of nanny jobs on our website.

You can find out more online at:

www.nannytax.co.uk/types-of-nanny-jobs

Ways to Find A Nanny

Hiring a nanny is a more personal employment relationship than the norm. That is what makes it that extra bit important to find the right person for the job. If you are wondering where to begin, have a look at our three key nanny search methods, detailed below.

Nanny Agencies

Suits those who have limited time and a larger budget for 'finder's fees'.

- Recruitment specialists will talk through your family's requirements, interests, and parenting style to match you with the most suitable nannies.
- Agency fees will vary so it's best to check what the fee includes when you sign up.
- Some agencies also offer a nanny vetting service.

If you are looking for a nanny agency in your area, we recommend visiting our online Nanny Agency Directory, which houses over 150 agencies for you to choose from.

Short on time? Not to worry, you can also use our handy Find a Nanny form and Nannytax will pass your requirements to three local nanny agencies, who can help you with your search.

Online Recruitment

Suits those who have a limited budget and more time to manage the recruitment process.

- Nanny matching platforms and recruitment sites often have search tools that enable you to input your specific requirements when sourcing local nannies.
- You are usually asked to register (for a fee) before you can use the full features. This could include selecting the nannies you would like to chat with or interview.
- Some recruitment websites provide additional services to help check your nanny's credentials.

Doing it yourself

Suits those who have a small budget, spare time and wish to fully control the recruitment process.

- You can place an advert online which will usually produce a lot of candidates.
- You'll need to set aside time to look through CVs before inviting them to an interview.
- Make sure you gather and vet your candidates' references thoroughly.

If you choose this method, we strongly advise you do thorough research to ensure you understand the best practices for job advertisements and the legalities of becoming an employer, before you begin.

Found a nanny and now wondering what's next?

01

Check your nanny has the right to work in the UK. Simply check an ID document (e.g. passport or visa)

02

Agree a gross salary with your nanny and calculate your total cost. You can use the Nannytax calculator to work this out.

03

Get a contract of employment in place. Nannytax will create a bespoke contract for you as part of our service.

04

Register as an employer with HMRC. Nannytax will do this for you as part of our service.

You can also download a copy of our free employer checklist to guide you through the next steps.

www.nannytax.co.uk/employers-checklist



more time to relax with Nannytax Plus

we pay your nanny and HMRC on your behalf



Busy working parent?

Our premium payroll service was designed with you in mind.

Cross Nanny's Pay Day and HMRC deadlines off your to-do list with Nannytax Plus, our premium payroll service that does it all for you.

Nannytax Plus can be added to a standard annual Nannytax Subscription for just £12 +/- month - the best price in the market:

- Nannytax make salary payments directly to your nanny on the last working day of each month.
- Nannytax pay Tax and National Insurance liabilities to HMRC on your behalf.



It's easy to register for Nannytax Plus
Apply online today, or call our team

You can sign up to Nannytax Plus online at:
www.nannytax.co.uk or if you're an existing customer you can upgrade by calling our subscriptions team on: **020 3137 4401**

UK Regions

AVERAGE GROSS SALARY IN SCOTLAND

GROSS	HOUR
LIVE OUT	£11.03

AVERAGE GROSS SALARY IN THE NORTH WEST

GROSS	HOUR
LIVE OUT	£12.46

AVERAGE GROSS SALARY IN NORTHERN IRELAND

GROSS	HOUR
LIVE OUT	£8.72

AVERAGE GROSS SALARY IN WALES

GROSS	HOUR
LIVE OUT	£12.30

AVERAGE GROSS SALARY IN THE WEST MIDLANDS

GROSS	HOUR
LIVE OUT	£11.63

AVERAGE GROSS SALARY IN THE SOUTH WEST

GROSS	HOUR
LIVE OUT	£12.45



AVERAGE GROSS SALARY IN THE NORTH EAST

GROSS	HOUR
LIVE OUT	£9.33

AVERAGE GROSS SALARY IN YORKSHIRE & THE HUMBER

GROSS	HOUR
LIVE OUT	£10.77

AVERAGE GROSS SALARY IN THE EAST MIDLANDS

GROSS	HOUR
LIVE OUT	£11.74

AVERAGE GROSS SALARY IN THE EAST OF ENGLAND

GROSS	HOUR
LIVE OUT	£11.21

AVERAGE GROSS SALARY IN LONDON

GROSS	HOUR
LIVE OUT	£14.12

AVERAGE GROSS SALARY IN THE SOUTH EAST

GROSS	HOUR
LIVE OUT	£13.00

Average salaries have been calculated from Nannytax payroll data for the 2020/21 Tax Year. All figures are shown in gross and have been rounded to the nearest pence. Please note, these figures are intended for guidance purposes only. As with any industry, a nanny's salary can fluctuate depending on the individuals' qualifications, skills, and experience. We recommend that you consider these factors when agreeing the salary.

London

AVERAGE GROSS SALARY IN THE NORTH WEST OF LONDON

GROSS	HOUR
LIVE OUT	£13.14

AVERAGE GROSS SALARY IN THE NORTH OF LONDON

GROSS	HOUR
LIVE OUT	£14.83

AVERAGE GROSS SALARY IN THE WEST OF LONDON

GROSS	HOUR
LIVE OUT	£13.94

AVERAGE GROSS SALARY IN THE EAST OF LONDON

GROSS	HOUR
LIVE OUT	£13.27

AVERAGE GROSS SALARY IN THE SOUTH WEST OF LONDON

GROSS	HOUR
LIVE OUT	£13.91

AVERAGE GROSS SALARY IN THE SOUTH EAST OF LONDON

GROSS	HOUR
LIVE OUT	£14.93

AVERAGE GROSS SALARY IN CENTRAL LONDON

GROSS	HOUR
LIVE OUT	£14.49



Greater London

AVERAGE GROSS SALARY IN BUCKINGHAMSHIRE

GROSS	HOUR
LIVE OUT	£13.28

AVERAGE GROSS SALARY IN HERTFORDSHIRE

GROSS	HOUR
LIVE OUT	£12.64

AVERAGE GROSS SALARY IN BERKSHIRE

GROSS	HOUR
LIVE OUT	£13.40

AVERAGE GROSS SALARY IN ESSEX

GROSS	HOUR
LIVE OUT	£14.10

AVERAGE GROSS SALARY IN SURREY

GROSS	HOUR
LIVE OUT	£13.24

AVERAGE GROSS SALARY IN KENT

GROSS	HOUR
LIVE OUT	£12.93

AVERAGE GROSS SALARY IN GREATER LONDON

GROSS	HOUR
LIVE OUT	£13.21



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Live Out - Full Time

Each year we collate our payroll data from the previous tax year, to calculate the average nanny salaries per region.

These tables illustrate a detailed breakdown of our findings per county.

Please note, not all counties are included within this table. If you are unable to find your county, we recommend referring to the regional averages highlighted in blue.

AVERAGE GROSS SALARY	HOURLY
LONDON	£14.12
Central	£14.49
East	£13.27
North	£14.83
North West	£13.49
South East	£14.93
South West	£13.91
West	£13.94
HOME COUNTIES & GREATER LONDON	£13.26
Berkshire	£13.40
Buckinghamshire	£13.28
Hertfordshire	£12.64
Kent	£12.93
Surrey	£13.24
Greater London	£13.21
Essex	£14.10
SOUTH EAST	£13.00
East Sussex	£11.93
Hampshire	£12.01
Oxfordshire	£15.07
Isle of Wight	£9.80
NORTH EAST	£9.33
County Durham	£9.93
Tyne & Wear	£8.72

AVERAGE GROSS SALARY	HOURLY
WALES	£12.30
Glamorganshire	£13.34
Conwy	£11.25
EAST MIDLANDS	£11.74
Derbyshire	£9.76
Leicestershire	£12.34
Lincolnshire	£12.51
Nottinghamshire	£12.34
WEST MIDLANDS	£11.63
Worcestershire	£12.19
Shropshire	£11.56
West Midlands	£12.67
Herefordshire	£8.96
Staffordshire	£13.49
Northamptonshire	£10.92
EAST OF ENGLAND	£11.21
Bedfordshire	£12.53
Cambridgeshire	£12.38
Norfolk	£10.63
Suffolk	£9.29
NORTHERN IRELAND	£8.72
YORKSHIRE/HUMBER	£10.88

AVERAGE GROSS SALARY	HOURLY
SCOTLAND	£11.03
Dumfries and Galloway	£8.72
Aberdeenshire	£10.52
Dundee	£9.79
Highlands	£15.01
Falkirk	£10.69
Fife	£11.89
Lothian	£11.23
Strathclyde	£11.87
Scottish Borders	£9.61
NORTH WEST	£12.46
Cheshire	£9.83
Cumbria	NO DATA
Greater Manchester	£12.52
Lancashire	£18.18
Merseyside	£9.30
SOUTH WEST	£12.45
Somerset	£10.58
Cornwall	£13.27
Bristol	£13.11
Devon	£11.52
Wiltshire	£13.24
Dorset	£13.74
Gloucestershire	£11.67

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Live In - Full Time

This year we have not shared up to date data for Live-in nannies as some of our Nannytax nannies temporarily switched to a Live-in role, most evidently during the national lockdowns.

This meant their salary record was not necessarily pertaining to the usual live-in salary parameters.

Under normal circumstances, a Live-in nanny salary will generally be less than Live-out due to the provision of accommodation, food and other supplies.

So that you still have a guideline to reference, we have included the average gross Live-in nanny salaries for 2019/20.

Please be advised that the figures on this page are reflective of the National Minimum Wage rates for the 19/20 tax year. For current National Minimum Wage rates please visit the Nannytax website.

AVERAGE GROSS SALARY	HOURLY
LONDON	£9.31
Central	£9.70
East	£8.21
North	£9.38
North West	£9.89
South East	£8.37
South West	£9.21
West	£10.41
HOME COUNTIES & GREATER LONDON	£9.12
Berkshire	£8.81
Buckinghamshire	£8.59
Hertfordshire	£8.21
Kent	£8.42
Surrey	£10.54
Greater London	£10.02
Essex	£9.26
SOUTH EAST	£8.56
East Sussex	£8.21
Hampshire	£8.21
Oxfordshire	£9.25

AVERAGE GROSS SALARY	HOURLY
NORTH EAST	£9.96
WALES	£10.04
EAST MIDLANDS	£13.12
WEST MIDLANDS	£10.07
Worcestershire	£11.54
Shropshire	£10.04
West Midlands	£10.46
Herefordshire	£8.21
Northamptonshire	£8.34
EAST OF ENGLAND	£10.33
Bedfordshire	£14.56
Cambridgeshire	£8.21
Norfolk	£8.21
NORTHERN IRELAND	£8.72
YORKSHIRE/HUMBER	£12.91
SCOTLAND	£9.85
Highlands	£13.74
Fife	£8.21
Lothian	£9.19
Strathclyde	£8.24

AVERAGE GROSS SALARY	HOURLY
NORTH WEST	£8.74
Cheshire	£11.25
Greater Manchester	£8.21
SOUTH WEST	£9.98
Somerset	£9.07
Bristol	£9.83
Devon	£9.70
Wiltshire	£9.80
Gloucestershire	£11.49

