

Statistical bulletin

# Pay As You Earn, Real Time Information payrolled employees by nationality and region: March 2023

Estimates of Pay As You Earn, Real Time Information employees by nationality and geographical region (NUTS1) from July 2014 to December 2022. Experimental Statistics.

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#### Correction

#### 20 June 2024 14:51

We have corrected an error in the measuring the data section of this article. Under the Nationality section it should have said "if an individual has subsequently naturalised or changed nationality this will not be reflected in the figures". This was correctly referenced in the accompanying spreadsheet.

# **Table of contents**

- 1. Main points
- 2. Pay As You Earn, Real Time Information payrolled employees by nationality and region data
- 3. Measuring the data
- 4. Related links
- 5. Cite this statistical bulletin

# 1. Main points

- Today we are publishing an update of the Pay As You Earn (PAYE) Real Time Indicators (RTI) payrolled employees data by nationality and region, up to December 2022.
- HM Revenue and Customs has also published the latest PAYE RTI payrolled employments data by nationality, region and industry (see <u>Section 4: Related links</u>).
- We used the PAYE RTI payrolled employees by nationality and region data, in July 2021 and June 2022, to inform the weighting of the Labour Force Survey (LFS); this was done to mitigate the increase in nonresponse during the coronavirus (COVID-19) pandemic from those with a non-UK country of birth or nationality.
- We intend to revert to our pre-coronavirus pandemic practice of using population estimates and projections for weighting when we move to the transformed LFS in the next year.
- In the meantime, we will be publishing an analytical article in late spring 2023 to provide an indicative impact on the LFS if population estimates and projections were used in the current estimates to help inform users as we move to the transformed LFS.

Assessing the impact of the latest PAYE RTI data on the LFS weights is not a simple process, as many assumptions are made within the weighting calculations; the PAYE RTI employees by nationality data as published should not be used to estimate the impact on LFS levels.

# 2. Pay As You Earn, Real Time Information payrolled employees by nationality and region data

Employments from Pay As You Earn Real Time Information: ad hoc estimates of payrolled employees by NUTS1 region and nationality

Dataset | Released 23 March 2023

Ad hoc monthly experimental estimates of Pay As You Earn Real Time Information employees by nationality and geographical region (NUTS1), nationality determined using the Migrant Worker Scan.

# 3. Measuring the data

#### **HM Revenue and Customs (HMRC) data sources**

The data for this release come from HM Revenue and Customs' (HMRC's) Pay As You Earn (PAYE) Real Time Information (RTI) system. They cover the whole population rather than a sample of people or companies, and they will allow for more detailed estimates of the population. The release is classed as <a href="Experimental Statistics">Experimental Statistics</a> as the methodologies used to produce the statistics are still in their development phase. As a result, the series are subject to revisions.

These statistics are based on a count of all payrolled employee jobs that were active in a given month using HMRC's PAYE RTI data.

HMRC's Migrant Worker Scan (MWS) is also used. It is an extract or subset of data, compiled from the National Insurance and Pay as You Earn Service (NPS) database system. The NPS system is owned by HMRC, with input from the Department for Work and Pensions (DWP). The January 2023 extract of the MWS was used for this analysis.

The DWP registers National Insurance numbers for those aged over 16 years through its adult registration process, which usually includes an interview to verify identity and right to residency in the UK. In some circumstances, the DWP will allocate National Insurance numbers following a successful application through the Home Office for a Biometric Residence Permit or another "fast path" application process. In all these scenarios, the DWP will allocate the National Insurance number and enter the information onto the NPS system, including details of the applicant's nationality at the point of application.

When Child Benefit is claimed on behalf of foreign national resident children, a National Insurance number is automatically allocated at the age of 15 years. These individuals will not appear on the MWS.

#### Coverage

These statistics only include employees from the PAYE system, they do not include occupational pensions and income from non-payrolled sources such as self-employment.

#### Comparability

Care needs to be taken when comparing these statistics with other sources.

Payrolled employees cannot be directly compared with payrolled employments. As payrolled employees can have multiple payrolled employments, payrolled employment counts follow the same trend as payrolled employee counts, but counts will be higher.

The estimates cannot be used as a count of monthly or annual migration to the UK, or to show the number of non-UK nationals who are currently living in the UK.

#### **Nationality**

Nationality breakdowns are determined using HMRC's MWS. On this, nationality is reported by individuals when they register for a National Insurance number through the adult National Insurance number registration process; if an individual has subsequently naturalised or changed nationality this will not be reflected in the figures.

#### 4. Related links

#### Labour market overview, UK

Bulletin | Released monthly

Estimates of employment, unemployment, economic inactivity and other employment-related statistics for the UK.

#### Earnings and employment from Pay As You Earn Real Time Information, UK

Bulletin | Released monthly

Experimental monthly estimates of payrolled employees and their pay from HM Revenue and Customs' (HMRC's) Pay As You Earn (PAYE) Real Time Information (RTI) data. This is a joint release between HMRC and the Office for National Statistics (ONS).

<u>UK payrolled employments by nationality, region and industry, from July 2014 to December 2022</u> HMRC publication | Released 23 March 2023

Counts of payrolled employments in the UK from July 2014 to December 2022, with analysis by nationality, geographical region and industrial sector.

#### 5. Cite this statistical bulletin

Office for National Statistics (ONS), published 23 March 2023, ONS website, statistical bulletin, <u>Pay As You Earn</u>, <u>Real Time Information payrolled employees by nationality and region: March 2023</u>.