



Ministry of
JUSTICE

Statistical Notice
Prisoners' Earnings subject to
the Prisoners' Earnings Act
levy during 2011/12

May 30 May 2012

Background

This note provides management information from the first six months of prisoners' earnings being subject to the Prisoners' Earnings Act 1996 (PEA) levy.

The PEA commenced on 26th September 2011. It enables prison governors to impose a levy of up to and including 40% on wages over £20 per week (after tax, national insurance, any court ordered payments and any child support payments) of prisoners who have been assessed as being of low risk of absconding or re-offending and allowed to work outside of prison on temporary licence, in order to prepare for their eventual release.

The PEA provides that the amounts arising from the levy can be directed to four purposes; to prescribed voluntary organisations concerned with victim support or crime prevention; into the Consolidated Fund to contribute to the prisoner's upkeep; to the prisoner's dependants; or to an investment account held on the prisoner's behalf. Ministers decided that all the funds generated by the imposition of the levy would be paid to voluntary organisations, and prescribed Victim Support for this purpose. It was agreed with Victim Support that this arrangement would remain in place for the first year the PEA was in force, i.e. until September 2012. The money is being used by Victim Support to provide direct, practical, paid for services such as emergency vouchers for food, enhanced home security and professional counselling.

Prisoners subject to the Prisoners' Earnings Act levy during 2011/12

The number of prisoners subject to the Prisoners' Earnings Act 1996 (PEA) levy, the net earnings and amounts raised from the levy are set out in the tables below.

Table 1: Prisoners' Earnings subject to the Prisoners' Earnings Act 1996: October 2011 – March 2012

Total number of active prisoners ⁽¹⁾	Total Net Earnings (Before levy) ⁽²⁾	Total raised through Prisoners' Earnings Act levy ⁽³⁾
602	£1,193,000	£383,724

Table 2: Average Prisoners' Earnings per month subject to the Prisoners' Earnings Act 1996: October 2011 – March 2012

Average number of active prisoners per month ⁽¹⁾	Average Net Earnings per prisoner per month (Before levy) ⁽²⁾	Average raised per prisoner per month through Prisoners' Earnings Act levy ⁽³⁾	Average Net Earnings per prisoner per month (After levy) ⁽²⁾
305	£652	£210	£442

- By end of March 2012, nearly £384,000 had been raised from the imposition of the levy on prisoners' earnings to be paid to Victim Support.
- During the six months to March 2012, there were a total of 602 active prisoners, on average 305 prisoners per month, working out of the prison on licence and subject to the Prisoners' Earnings Act levy.
- These prisoners had average net earnings before the levy of around £652 a month, from which on average £210 was raised from the levy to reduce the average net earnings to £442 per month.

Notes

1. Active prisoners are those working out of the prison on licence and subject to the Prisoners' Earnings Act levy. Prisoners may not have worked or been subject to the levy in every month so the monthly average of active prisoners is less than the total number of active prisoners during the period.
2. Net Earnings are after tax, national insurance, any court ordered payments and any child support payments. Prisoner earnings vary considerably depending on hourly rates and hours worked; therefore there will be large variations in the amount each prisoner contributes, depending on their earnings. For a prisoner working full time on the national minimum wage levies through the PEA would be approximately £65 a week or approximately £3000 per year.
3. The levy on prisoners' earnings can be adjusted at an establishment level, for example, to account for additional costs the prisoner may incur such as travel costs, clothing for work, meals and maintaining family visits.
4. Information on Prisoners' Earnings is from the following establishments: Askham Grange, Blantyre House, Downview, Drake Hall, East Sutton Park, Ford, Grendon & Springhill, Hatfield, Hewell, Hollesley Bay, Huntercombe, Kirkham, Kirklevington Grange, Leyhill, North Sea Camp, Northallerton, Norwich, Prescoed, Reading, Send, Shrewsbury, Stanford Hill, Styal, Sudbury, Thorn Cross, and Wymott.
5. Total Net Earnings have been rounded to nearest thousand pounds.
6. Data has been drawn from administrative IT systems. Although care is taken when processing and analysing the data, the level of detail collected is subject to the inaccuracies inherent in any large-scale recording system.

Contact details and further information

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