Article

Newinsightson labour market dynamics fromUK LinkedEmployer-EmployeeData(LEED): 2026

New measures of job hires, separations and job-to-job flows from LEED, linking payroll and ONS business data. These are Official statistics in development.

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1 . Main points

- This article introduces measures of job hires, job separations and job-to-job flows from the Linked Employer-Employee Dataset (LEED) for the first time, a new UK data platform linking payroll data to the Office for National Statistics' (ONS's) business register.
- The monthly job hire rate for February 2026 was 3.3%, and the monthly separation rate was 3.5%; both rates have been steadily declining since 2022 and are now 0.8 and 0.6 percentage points below their pre-coronavirus (COVID-19) pandemic levels, respectively.
- The decline in monthly job hire and separation rates are across all broad industry categories, with the largest falls seen in the business and professional services sectors; reduced job hire and separation rates indicate lower labour market churn, with fewer workers hired and employment relationships ending less frequently.
- The number of payroll jobs being filled each month has fallen across all age groups since 2022, with the largest decline among workers aged under 25 years.
- Payrolled employees have also become less likely to switch main employers since the coronavirus pandemic, with 1.9% of employees making a job-to-job move each month in 2025; the largest decrease in job-to-job moves since 2022 have been among young workers aged under 25 years.
- In 2025, 56% of job-to-job moves involved workers moving to firms with higher average weekly earnings than their previous employer; however, the reduced job-to-job mobility on a main-job basis has led to fewer transitions, indicating a reduction in these upward movements.

2 . Overview of the new UK Linked Employer-Employee Dataset

Changes in the number of individuals in payrolled employment and the number of employee jobs held provide important insights into labour market conditions. However, headline changes can conceal substantial movement of workers into, out of and between jobs.

Linked administrative data offer a new way to examine these movements in and out of payrolled employment in greater detail and more frequently. The Office for National Statistics (ONS), in collaboration with the Economic Statistics Centre of Excellence (ESCoE), have built the UK Linked Employer-Employee Dataset (LEED).

The LEED connects information on employees from HM Revenue and Customs' (HMRC's) Pay As You Earn (PAYE) Real Time Information (RTI) with information on businesses from the Inter-Departmental Business Register (IDBR). The LEED enables detailed analysis of the payrolled employment population, on a monthly basis, between 2014 and 2026.

The LEED provides two complementary perspectives on payrolled employment:

- job-level analysis
- main-job analysis

Job-level analysis provides new high-frequency statistics on hires and separations by firm and worker characteristics. Main-job analysis enables new insights on employees entering and leaving payrolled employment and moving between main employers.

This article presents new indicators of labour market dynamics among payrolled employees, derived from the LEED, which provide new insights on UK labour market conditions. The accompanying ESCoE technical paper outlines the underlying data, methods and future plans in greater detail.

3 . Payroll job hires and separations

In the period before the outbreak of the coronavirus (COVID-19) pandemic in 2020, the monthly job hire and separation rates each accounted for around 4% of payroll employee jobs. This corresponds to four jobs being added and four jobs being removed each month for every 100 employee jobs. The difference between job hires and separations within a month corresponds to the number of employee jobs added or removed from the total stock of employee jobs, relative to the previous month.

The monthly job hire and separation rates fell substantially at the start of the coronavirus pandemic, with the job hiring rate falling more sharply than the separation rate. The monthly job hire and separation rates recovered strongly between March 2021 and March 2022, reflecting a period of growth in payrolled employee jobs. Since then, the monthly job hire and separation rates have generally declined since 2022, following relatively high levels of labour market activity during the recovery from the coronavirus pandemic.

Both the monthly job hire and separation rates have been below their pre-coronavirus pandemic levels. The monthly job hire rate for February 2026 was 3.3% and the monthly separation rate was 3.5%; a decline of 0.8 and 0.6 percentage points, respectively, since 2018.

The decline in both measures suggests that there is less movement into and out of jobs than there was before the coronavirus pandemic. This indicates a reduction in labour market turnover, with employers hiring workers less frequently and existing employment relationships ending less frequently.

Figure 1: Payroll job hires and separations have fallen below their pre-coronavirus (COVID-19) pandemic level

Job hire and separation rates, all job-basis, monthly, seasonally adjusted, UK, January 2015 to February 2026

Downloac

Notes:

1. Rates are calculated as the total number of jobs, hires and separations, divided by average employment across the current (t) and previous (t-1) period.

2. LEED covers jobs in the public and private sectors that are paid through Pay As You Earn (PAYE) and can be linked to the Inter-Departmental Business Register (IDBR).

3. A job is defined as a unique worker to IDBR enterprise combination.

Job hire and separation rates have been broadly decreasing across all broad industry categories since 2022 and rates were stable or rising in most industries before falling sharply in March 2020. This rebound may reflect expansion and contraction which was delayed by coronavirus pandemic-related uncertainty, as well as policies supporting firm survival and job retention. Job hiring and separation rates have since slowed gradually across almost all industries, with most rates now below pre-coronavirus pandemic levels.

Between 2018 and 2025, the business and professional services sector was the broad industry category that recorded the largest decline in job hire and separation rates, at 1.3 and 1.1 percentage points, respectively. It still has the highest monthly rates across the broad industry categories shown, at 4.8% in February 2026.

Since 2022, periods of high inflation and rising interest rates have coincided with growing business use of artificial intelligence (AI). The decline in job hires and separations over this period is therefore likely to reflect a combination of these factors. Further analysis linking firm-level AI adoption data would be needed to quantify any contribution from AI to the slowdown.

Figure 2: The declines in job hires and separation rates have been seen across all broad industries since 2022

Job hire and separation rates by broad industry category, all job basis, monthly, seasonally adjusted, UK, January 2015 to February 2026

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Notes:

1. Rates are calculated as the total number of job hires and separations for each subcategory, divided by average employment across the current (t) and previous (t-1) period in that specific sub-category.

2. LEED covers jobs in the public and private sectors that are paid through Pay As You Earn (PAYE) and can be linked to the Inter-Departmental Business Register (IDBR).

3. Industry groups are based on SIC 2007 sections: Production, construction and utilities (A,B,D,E,F); Manufacturing (C); Retail, hospitality & transport (G,H,I); Business and professional services (J to N); Government, healthcare & education (O,P,Q); and Arts & other services (R,S,T,U).

4 . Job hires and separations by employee age

Job hires and separations fell across all age groups from their peaks in 2021 and 2022, to 2026 (Figure 3). The decline was largest among payrolled employees aged under 25 years. This group consistently recorded the most monthly job hires, peaking at 516,000 in May 2021 before falling to 340,000 in February 2026.

Monthly separations followed a similar pattern among the youngest workers, falling from 413,000 in October 2021 to 304,000 by February 2026. This may partly reflect younger workers becoming less likely to enter payrolled employment over this period.

Figure 3: Job hiring and separations have declined across all age groups, with the largest fall among young workers

Job hires and separations by employee age band, all job basis, monthly, seasonally adjusted, UK, January 2015 to February 2026

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Notes:

1. LEED covers jobs in the public and private sectors that are paid through Pay As You Earn (PAYE) and can be linked to the Inter-Departmental Business Register (IDBR).

2. Employee age information is sourced from the PAYE Real Time Information (RTI) system.

5 . Tracking main jobs through time

In 2019, before the coronavirus (COVID-19) pandemic, monthly entrants to payrolled employment represented around 1.6% of all payrolled employees, while around 2.3% of employees changed their main employer each month. A move between main employers is called a job-to-job flow. Each move involves a separation from the original employer, recorded when the worker leaves, and a job hire by the destination employer, recorded when the worker starts.

These job-to-job flows include moves directly from another employer in the previous month (continuous employment job-to-job flows) and those following a short period of non-employment (brief non-employment job-to-job flows).

Both entry into main jobs and job to job flows fell sharply during the coronavirus pandemic before rising above pre-pandemic levels, potentially reflecting entries and job moves delayed by the effects of the coronavirus pandemic. Since May 2021, both monthly rates have declined and are now below pre-coronavirus pandemic levels: the main-job hire rate from non-employment and the job-to-job hire rate were 1.3% and 1.9% in February 2026, respectively.

Separations into non-employment fell less sharply during the coronavirus pandemic, which is likely to partly reflect furlough schemes. Since the coronavirus pandemic, the main job separation rate into non-employment has been lower than before the pandemic, indicating fewer workers leaving payrolled employment. Workers exiting payrolled employment are not necessarily moving into unemployment or inactivity not seeking work. They could instead be;

- leaving payrolled employment to become self-employed
- leaving the country
- entering full-time education
- moving into any other type of activity not captured by Pay As You Earn Real Time Information (PAYE RTI)

Less movement between main employers and fewer separations into non-employment suggest workers are staying in their main jobs longer. Lower job hiring and separation rates may reflect better worker-firm matches, improved retention and greater job stability. They may also represent fewer job opportunities, greater uncertainty, and higher labour costs.

Figure 4: Entry into payrolled employment and job-to-job movements have weakened since 2022

Main-job hire from non-employment rate, job-to-job flow rate and separation into non-employment rate, main job basis, monthly, seasonally adjusted, UK, January 2015 to February 2026

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Notes:

1. Rates are calculated as the total number of job hires and separations, divided by average employment (on a main-job basis) across the current (t) and previous (t-1) period.

2. Estimates are seasonally adjusted.

3. LEED covers jobs in the public and private sectors that are paid through Pay As You Earn (PAYE) and can be linked to the Inter-Departmental Business Register (IDBR).

4. A payrolled employee's main job is the one with the highest estimated gross pay over a centred three-month period.

5. LEED covers only payrolled employment recorded in PAYE Real Time Information (RTI), so "non-employment" means being outside this population, not necessarily being out of work (self-employment, for example).

Hiring, separation, and job-to-job rates vary substantially by age. Workers aged under 25 years have the highest rates of entry to and exit from main jobs, and the highest rate of movement between employers. This is consistent with younger workers being more likely to enter and change jobs while establishing their careers.

Since May 2021, hiring from non-employment among younger workers has fallen more than among older age groups. Figure 5 shows that the monthly rate of job-to-job moves also declined for all age groups after the post-coronavirus pandemic recovery, but the fall was most noticeable among workers aged under 25 years. Between November 2021 and February 2026, the job-to-job flow rate for payrolled employees aged under 25 years fell by 1.9 percentage points.

Figure 5: The rate of job-to-job moves has declined across all age groups, with the largest fall among young workers

Job-to-job flow rate by employee age band, main job basis, monthly, seasonally adjusted, UK, January 2015 to February 2026

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Notes:

1. Rates are calculated as the total number of job hires and separations for each subcategory, divided by average employment across the current (t) and previous (t-1) period in that specific sub-category.

2. LEED covers jobs in the public and private sectors that are paid through Pay As You Earn (PAYE) and can be linked to the Inter-Departmental Business Register (IDBR).

3. A payrolled employee's main job is the one with the highest estimated gross pay over a rolling three-month period.

4. LEED covers only payrolled employment recorded in PAYE Real Time Information (RTI), so "non-employment" means being outside this population, not necessarily being out of work (self-employment, for example).

6 . Main job flows between industries

The tendency for individuals to move jobs also varies by industry of origin, but the recent slowdown in job-to-job moves is evident across all broad industry categories. The decline in the job-to-job transition rate is particularly noticeable in wholesale, retail and hospitality, and in professional services, finance, technology and media.

The creation of new main jobs within an industry can come from:

- non-employment
- a job-to-job move from the same industry
- a job-to-job move from a different industry

Job hires from non-employment form the largest component of new main jobs across most sectors. Over time, the share of job hires from non-employment has declined across sectors, while moves from other industries and (to a lesser extent) moves within the same industry have become more important.

Figure 6 shows the industry origin of workers who started new main jobs within a given industry across the year. The chart shows the extent to which industries recruit from within the same industry, from other industries or from outside payrolled employment.

Figure 6: Worker origins and mobility patterns differ across industries

Main job hires from non-employment and job-to-job moves between and within industries, by broad industry category, annual, seasonally adjusted, UK, 2015 to 2025

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Notes:

1. LEED covers jobs in the public and private sectors that are paid through Pay As You Earn (PAYE) and can be linked to the Inter-Departmental Business Register (IDBR).
2. A payrolled employee's main job is the one with the highest estimated gross pay over a rolling three-month period.
3. LEED covers only payrolled employment recorded in PAYE RTI, so "non-employment" means being outside this population, not necessarily being out of work (self-employment, for example).

7 . The role of job-to-job moves in earnings growth

Using the UK Linked Employer-Employee Data (LEED), we can begin to examine how workers move between firms over their careers. One aspect of this is whether workers move to higher-paying or more productive firms as they gain experience in the labour market. This is important because workers moving from less productive to more productive firms supports productivity growth in the economy overall.

Figure 7 shows the share of job-to-job moves in which workers move to firms with higher average weekly earnings than their previous employer. In the absence of a direct firm-level productivity measure at this stage, average employee earnings are used as a proxy for firm productivity. The share of positive job-to-job flows have remained broadly stable at around 56% over the past decade.

However, the rate of job mobility has varied over this period and has declined more recently, as shown in the left-hand panel. This means that, although the proportion of job-to-job moves to higher-paying firms has remained broadly unchanged each month, a smaller proportion of employees overall are making these positive moves each month.

Figure 7: The number of job-to-job flows to higher paying employers has declined since 2022, but have remained stable as a share of all job-to-job flows

Worker moves to firms with higher average weekly earnings than their previous employer, monthly, seasonally adjusted, January 2015 to February 2026, UK

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Notes:

1. Linked to the Inter-Departmental Business Register (IDBR).

2. The LEED covers only payrolled employment recorded in Pay As You Earn (PAYE) Real Time Indicators (RTI), so "non-employment" means being outside this population, not necessarily being out of work (self-employment, for example).

3. The "job ladder" measures the proportion of job-to-job moves in which workers move to employers that have higher average wages than their previous employer.

4. A payrolled employee's main job is the one with the highest estimated gross pay over a rolling three-month period.

5. Job-to-job flows include moves with no gap between jobs (continuous flows) and moves with a gap of up to two months (brief non-employment job-to-job flows).

8 . Future developments

Future work will expand the Linked Employer-Employee Dataset (LEED) through new analysis and additional data linkages. First, we will examine individual earnings dynamics, not covered here, and decompose overall earnings growth into contributions from workers who are:

- changing jobs
- staying in the same job
- entering or leaving payrolled employment

We will then engage with user feedback to decide what combination of jobs and earnings measures would be most valuable to produce as a regular statistical publication.

The LEED will continue to support labour market statistics quality within the Office for National Statistics (ONS) through linking with labour market surveys, which will be another focus of the coming months.

We will continue to develop the methods and data linkages in the LEED to expand the range of insights that the dataset can provide, in collaboration with academic experts. We will explore the feasibility of subnational statistics from this data source. We can also explore the potential of linking additional data sources to expand the information on employers and employees, and to provide greater coverage outside of payrolled employment, such as self-employment. Extending the firm-level information could support new insights on:

- firm inputs and outputs
- the impact of artificial intelligence (AI)
- the relationship between worker reallocation and productivity growth

Finally, we will engage with Administrative Data Research (ADR) UK's Better Economic Data project, which aims to support the provision of linked employer-employee data to inform policy-relevant research, to explore whether the LEED dataset could be made available to researchers.

We encourage user comments and suggestions as we develop the LEED data platform and statistical outputs. Please email labour.market.transformation@ons.gov.uk with any feedback on our statistics.

9 . Data on labour market dynamics from LEED

Job hires, separations and job-to-job flows from LEED: summary statistics, UK
Dataset | Released on 23 November 2026
Hires, separations and job-to-job flows from the UK Linked Employer-Employee Data (LEED), on all job and main job basis, levels and rates. Official statistics in development.

10 . Glossary

Brief non-employment job-to-job flow

A move between main employers involving up to two months outside of payrolled employment.

Continuous job-to-job flow

A move between main employers without an intervening period outside of payrolled employment.

Hire

A worker-enterprise job relationship present in the current month but not the previous month.

IDBR

The Inter-Departmental Business Register (IDBR) is a database of all businesses in the UK registered for Value Added Tax (VAT) and/or the Pay As You Earn (PAYE) income tax system. The IDBR is the register of UK businesses used as a sampling frame for the Office for National Statistics (ONS) business surveys, and in this release is used to link payroll records to businesses and information on their characteristics.

Job

A unique relationship between a worker and an IDBR enterprise. A worker can hold more than one job at the same time.

Job-to-job flow

A move from one main employer to another, either directly or following up to two months outside of payrolled employment.

Main job

For employees with multiple jobs, the job with the highest estimated gross pay over a rolling three-month period, centred on the reference month.

Non-employment

A period when an individual is not observed in the Linked Employer-Employee Dataset (LEED) payrolled employment. This does not necessarily mean the individual is not in work. When in non-employment, the individual may be unemployed, inactive, self-employed, in education or in other activity outside PAYE Real Time Information (RTI).

PAYE

PAYE is the system employers and pension providers use to take Income Tax and National Insurance contributions before they pay wages or pensions to employees and pensioners. It was introduced in 1944 and is now the way most employees pay Income Tax in the UK.

PAYE RTI

The administrative system through which employers report PAYE information to HM Revenue and Customs (HMRC).

Separation

A worker-enterprise job relationship present in the previous month but not the current month.

11 . Data sources and quality

Measuring the data

The statistics in this bulletin are derived from the Linked Employer-Employee Data (LEED) developed by the Office for National Statistics (ONS), in collaboration with the Economic Statistics Centre of Excellence (ESCoE). The LEED connects employee and earnings information from HM Revenue and Customs' (HMRC's) Pay As You Earn (PAYE) Real Time Information (RTI) with business information from the Inter-Departmental Business Register (IDBR). This enables employees and their jobs to be followed over time and linked to characteristics of their employers.

PAYE RTI is also used for the ONS and HMRC monthly statistics on payrolled employees and earnings. More information about PAYE RTI can be found in our Earnings and employment from Pay As You Earn Real Time Information, UK: November 2026 bulletin.

Coverage

The LEED covers public- and private-sector employee jobs reported through PAYE RTI that can be linked to businesses on the IDBR. This bulletin uses monthly data from 2014 to February 2026.

This publication covers employees payrolled by employers only.Employment not reported through PAYE RTI is outside the scope of the LEED. Therefore, "non-employment" means that an individual is not observed in payrolled employment and does not necessarily mean they are not in work.

Jobs and main jobs

For all-job measures, a job is a unique worker-enterprise relationship and is used to identify hires and separations.

For job-to-job flows, each employee is assigned a main job, defined as the job with the highest estimated gross pay over a three-month period. Job-to-job flows include direct moves between employers and moves following up to two months outside of payrolled employment.

Seasonal adjustment and rates

Monthly series are seasonally adjusted to remove regular seasonal patterns. Hire, separation and job-to-job flow rates use average employment across the current and previous month as the denominator.

Differences compared with other labour market statistics

The Labour Force Survey (LFS) is our survey of households, while workforce jobs (WFJ) is based mainly on business surveys for employee jobs, with the LFS covering self-employed jobs. HMRC's PAYE RTI data are derived from administrative tax records and only cover payrolled employees.

Each of these three sources are collected and processed in different ways, so we do expect differences in levels (for example, jobs versus people, differing reference periods). Divergence across indicators for more than one period is not unusual. For further information please see our Labour Force Survey quality update: October 2026 article.

Official statistics in development

These statistics are labelled as "official statistics in development". They are based on information from the LEED and the IDBR from the Office for National Statistics. We are developing how we collect the data and produce the statistics to improve their quality.

Once we have completed the developments, we will review the statistics with the Statistics Head of Profession.

If the statistics meet trustworthiness, quality and value standards based on user feedback, we will remove the "official statistics in development" label to publish under the "official statistics" label.

If they do not meet trustworthiness, quality and value standards, we will further develop them and might stop producing them.

12 . Related links

Earnings and employment from Pay As You Earn Real Time Information, UK: November 2026
Bulletin | Released 17 November 2026
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).

X02: Labour Force Survey flows estimates
Dataset | Released 17 November 2026
Flows estimates from the Labour Force Survey, levels and rates, UK, quarterly.

13 . Cite this article

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