

Tesco offers staff pay advances to help navigate cost of living challenges

Tesco, the country's largest retailer, is offering its workforce advances in their pay to help them navigate key debt deadlines as the cost of living crisis mounts.

It said that 280,000 workers in the UK can receive up to 25% of their contractual pay early under the scheme.

It aims to help staff avoid having to take on expensive debt with high interest payments, such as pay day loans, in order to meet their bills.

But they would have to pay a £1.49 fee per advance to [Tesco](#)'s employee benefits partner Salary Finance, the company said.

Staff are allowed one advance per pay period.

Major supermarket chains have moved this year to award several pay rises to their workers as the [cost of living crisis](#) has deteriorated.

Tesco's latest increase, for hourly-paid staff, was revealed last month.

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Combined, they equated to an 8% increase over the year but the ONS revealed earlier this week that the rate of inflation was running at a [41-year high of 11.1%](#).

The Office for Budget Responsibility warned on Thursday, alongside the chancellor's [autumn statement](#), that a record hit to living standards is upon us with household disposable income unlikely to recover their pre-Ukraine war level until 2028.

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A tight labour market is forcing firms to award better pay deals to retain staff as vacancies are tough to fill.

Tesco's UK people director, James Goodman, said of the pay advance scheme: "We hope this helps to support colleagues, particularly in the run-up to Christmas."