

Employment Law and Other Important Changes

Since October 2018

- ✓ **New check-off arrangements take effect**
- ✓ **Regulations on executive pay ratio reporting introduced**
- ✓ **Right to time off work for certain volunteers who carry out duties in the criminal justice system takes effect**
- ✓ **Employer Childcare voucher schemes close to new entrants**

April 2019

- ✓ **Technical amendments to employment law to ensure smooth Brexit take effect – 29 March 2019**

The Government introduces legislation to ensure that employment laws continue to operate effectively on the day the UK leaves the EU. The legislation makes minor technical changes, including amending and removing inappropriate language and references.

- ✓ **National minimum wage rises – 1 April 2019**

The hourly rate of the national living wage, the rate for workers who are aged 25 and over, increases from £7.83 to £8.21. The national minimum wage for workers aged at least 21 but under 25 rises from £7.38 to £7.70 per hour. The rate for workers who are aged at least 18 but under 21 increases from £5.90 to £6.15 per hour; the rate for workers aged 16 or 17 rises from £4.20 to £4.35 per hour; and the apprentice rate rises from £3.70 to £3.90 per hour. The accommodation offset increases from £7.00 to £7.55 per day.

- ✓ **Employment tribunal award limits increase – 6 April 2019**

The Employment Rights (Increase of Limits) Order 2019 (SI 2019/324) increases the limits applying to various tribunal awards and other amounts payable under employment legislation, including the maximum amount of a week's pay for the purpose of calculating the basic award for unfair dismissal and a redundancy payment, which increases to £525, and the maximum amount of the compensatory award for unfair dismissal, which increases to £86,444.

The order applies where the event that gives rise to the entitlement to the payment occurs on or after 6 April 2019.

✓ **Requirement for payslips to state hours worked where pay varies – 6 April 2019**

The Employment Rights Act 1996 (Itemised Pay Statement) (Amendment) Order 2018 (SI 2018/147) provides that, where an employee's pay varies by reference to time worked, employers must include the number of hours for which the employee is being paid on his or her itemised pay statement. The change is designed to make it easier for hourly paid staff to ensure that they are paid correctly and to address underpayments.

✓ **Statutory sick pay rises – 6 April 2019**

The draft Social Security Benefits Up-rating Order 2019 increases the rate of statutory sick pay from £92.05 to £94.25 per week.

✓ **Increase in minimum contribution level for pensions auto-enrolment takes effect – 6 April 2019**

The Employers' Duties (Implementation) Regulations 2010 (SI 2010/4), as amended by the Employers' Duties (Implementation) (Amendment) Regulations 2016 (SI 2016/719) provide that, the minimum level of employer contribution into a pensions auto-enrolment scheme increases from 2% to 3%, with an increase to the employee contribution from 3% to 5%. The total minimum contribution increases from 5% to 8%.

✓ **Maximum penalty for aggravated breach increases to £20,000 – 6 April 2019**

The draft Employment Rights (Miscellaneous Amendments) Regulations 2019 increase the maximum penalty that an employment tribunal can order for an aggravated breach of a worker's rights from £5,000 to £20,000.

✓ **Lower earnings limit for national insurance contributions increases – 6 April 2019**

The Social Security (Contributions) (Rates, Limits and Thresholds Amendments and National Insurance Funds Payments) Regulations 2019 (SI 2019/262) provide that the lower earnings limit for primary Class 1 national insurance contributions increases to £118 per week.

✓ **Statutory maternity pay and other family-related statutory pay rates increase – 7 April 2019**

The draft Social Security Benefits Up-rating Order 2019 increases the rates of statutory maternity pay, statutory paternity pay, statutory adoption pay and statutory shared parental pay from £145.18 to £148.68 per week.

Changes to look out for in the coming months

✓ **Parental bereavement leave rights take effect – Expected 2020**

The Parental Bereavement (Leave and Pay) Act 2018 provides for at least two weeks' leave for employees following the loss of a child under the age of 18 or a stillbirth after 24 weeks of pregnancy. Employees with 26 weeks' continuous service will be entitled to paid leave at the statutory rate and other employees will be entitled to unpaid leave.

✓ **Reform to intermediaries legislation (IR35) is extended to private sector – Expected 2020**

The rules on off-payroll working in the private sector are amended, with the April 2017 changes to intermediaries legislation (IR35) in the public sector being extended to the private sector. The organisation, agency or other third party are made responsible for operating IR35, as opposed to the individual being engaged. However, small organisations are exempt.

✓ **Increase in holiday reference period from 12 weeks to 52 weeks – Expected 2020**

The Employment Rights (Employment Particulars and Paid Annual Leave) (Amendment) Regulations 2018 (SI 2018/1378) increase the reference period used for determining a week's pay when calculating holiday pay for workers with irregular hours from 12 weeks to 52 weeks. The Government's Good work plan states that the changes will allow greater flexibility for workers in choosing when to take holiday, particularly for those in seasonal or atypical roles that limit some workers from benefiting from their full holiday pay entitlement.

✓ **Reduction to threshold for a request to set up information and consultation arrangements – Expected 2020**

The threshold required for a valid request to set up information and consultation arrangements under the Information and Consultation of Employees Regulations 2004 (SI 2004/3426) is reduced from 10% to 2% of employees. The requirement for the request to be made by a minimum of 15 employees remains in place.

The new threshold is provided for by the draft Employment Rights (Miscellaneous Amendments) Regulations 2019.

✓ **Extension of the right to a written statement to all workers – Expected 2020**

The draft Employment Rights (Miscellaneous Amendments) Regulations 2019 extend the right to a written statement of employment particulars to all workers (including employees).

The Employment Rights (Employment Particulars and Paid Annual Leave) (Amendment) Regulations 2018 (SI 2018/1378) provide that access to a written statement will be a day one right for all workers (including employees). Employers will also have to provide additional information as mandatory content for a written statement.

✓ **Change to tax treatment of termination payments above £30,000 introduced – Expected 2020**

Employers will be liable to pay Class 1A national insurance contributions on termination payments above £30,000 that are subject to income tax by the employee. The new measure will be introduced in the National Insurance Contributions Bill.

Source: XpertHR