



Do you employ staff?

January Employment Law Update

Forthcoming Expected Employment Law Changes for the Year 2020

31st January 2020

On this date the UK is expected to leave the EU and EEA. Now that the Conservatives have gained a majority, there should be no further difficulty agreeing on how the UK will leave the EU. The Withdrawal Agreement will result in a transitional phase that is expected to last the duration of 2020. During this period, the economic status will be maintained while both the UK and the EU negotiate on their future trade, political, security and other relations.

April 2020

- Whilst the date is yet to be confirmed, it is expected that the Paid Bereavement (Pay and Leave) Act will receive Royal Assent and become law in April, entitling parents (only) to two weeks paid statutory bereavement leave. This new right will be subject to length of service and proof of the employee's relationship with the child. It is expected that small organisations will be entitled to reclaim the full cost of the leave, whereas larger organisations will be expected to be able to reclaim approximately 90% of the costs.
- Also during April, the standard rates of Maternity, Paternity, Adoption and Shared Parental pay will increase. The National Minimum Wage and the rate of Statutory Sick Pay will also be increasing. We will communicate the new rates in due course.
- On **6 April** other changes will come into force as follows:
 - From April 2018 employers were expected to be required to pay National Insurance Contributions (NICs) on termination payments over £30,000, however this was delayed and is now expected take place as of

this date.

- The Employment Rights Act 1996 (Itemised Pay Statement) (Amendment) Order 2018; (which requires employers to provide workers with an itemised pay statement when any wages or salary payment is made), this itemised pay statement must state the number of hours worked in respect of the payslip, where the individual's wage or salary varies depending on how much time is worked. Where the employer fails to provide a legally compliant statement, the worker will have the right to raise a claim to an employment tribunal.
- The Agency Worker (Amendment) Regulations 2019; the Swedish Derogation will be abolished, entitling agency workers to pay parity after 12 weeks, irrespective of whether they are paid between assignments. As well as this, temporary agencies must also provide agency worker applicants with a "Key Information Document" before agreeing the terms of any individual work assignments. This document must contain information relating to the contract, rate and method of payment, and holiday entitlement. Also by **30 April**, any agency worker whose contract of employment currently contains a "Swedish Derogation Provision" must be provided with a written statement that confirms that the derogation no longer applies, by their temporary work agency.
- The Employment Rights (Miscellaneous Amendments) Regulations 2019; requires the statutory provision to lower the threshold required to set up Information and Consultation arrangements from 10% to 2% of employees, to improve the levels of employer / employee communication and also employee engagement across the UK. Changes will not be made to the rights that representatives have, or the number of employers affected by this legislation. This change will only affect employers with 50 or more employees, or employers who receive a request for an "information and consultation agreement" from a minimum number of fifteen employees.
- The Employment Rights (Employment Particulars and Paid Annual Leave) (Amendment) Regulations 2018; will extend the entitlement to a statement of "written particulars" to include workers as well as employees, and it will also change the right to a statement of written particulars to a "day one right", instead of it being something that should be provided within the first eight weeks. Changes are also being made to the type of information that should be included within workers' statements of particulars, which means many employers may be required to review the statements of particulars currently in use. We will be supporting all our retained clients to implement these changes where necessary.
- The way holiday pay is calculated for workers who work variable hours is also changing. Instead of using a 12-week reference period to calculate average earnings, the Employment Rights (Employment Particulars and Paid Annual Leave) (Amendment) Regulations 2018 will change the reference period to 52 weeks.
- The IR35 tax rules will be extended to the private sector, in an attempt to reduce tax avoidance for off-payroll contractors working through personal service companies (PSC). Medium and large sized private sectors businesses will become responsible for assessing the employment status of the off-payroll workers they engage. This does not apply to your company if two of the following three points apply to your organisation:
 - Your annual turnover is no more than £10.2 million
 - Your balance sheet totals no more than £5.1 million
 - You have no more than 50 employees.

By this date, EU and EEA nationals must have applied for “settled status” if they wish to remain living and working within the UK. Any EU or EEA citizen will be able to freely travel to the UK for a period of 3 months up until January 2021, but anyone who wants to stay longer than 3 months will be required to apply (and be approved) for Temporary Leave to Remain, which lasts for a period of 3 years.

How Can We Help

We will be providing further details in due course relating to the above changes within our monthly Employment Law updates and will be working proactively with our retained clients in order to support them with compliance.

If you have any queries relating to the content of this newsletter, or any other HR related topic, please don't hesitate to contact us via hradvice@hasslefreehr.co.uk