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Human Resources & Health and Safety



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Do you employ staff?

Employment Law Update March 2016

An Amendment to the February Employment Law Update:

In our last update we informed our readers that the Government would be making a public decision on gender pay gap reporting by the 26th March 2016. They did indeed do this and we can now confirm with our readers that gender pay gap reporting will be fully introduced in 2018. We will publish more information on this as and when it becomes available.

1st April 2016: National Minimum Wage and National Living Wage

On this date the widely discussed National Living Wage will be introduced under the National Minimum Wage (Amendment) Regulations 2016. The Living Wage is a new minimum wage for people aged 25 and over. Starting at £7.20 an hour, this new rate will be subject to review by the Low Pay Commission in the same way the national minimum wage is. Due to the large outcry that originated from the introduction of the National Living Wage, these regulations have also included an increase of the financial penalty imposed on employers who fail to pay employees the national minimum wage. Employers may now be required to pay 200% of the amount the employee has been paid below the national minimum wage.

Statutory Pay Rates

In previous years the statutory rates for Maternity Pay, Paternity Pay and Adoption Pay have been increased in April. This year, however, the statutory rates (including the rate for Shared Parental Leave)

are being “frozen” and are therefore remaining at £139.58 a week for the year 2016/17 (or at 90% of the person’s average weekly earnings, whichever is lower).

The statutory rate for Statutory Sick Pay will also be “frozen” this year, and will therefore remain at £88.45 a week for the year of 2016/17.

6th April 2016: National Insurance Contributions

On this date, in line with the National Insurance Contributions Act 2015, employer Class 1 national insurance contributions will be abolished, for apprentices aged under 25. This change will incentivise employers and make it cheaper for them to employ young people.

Also Expected in April

On an unconfirmed date in April, two measures of the Small Business Enterprise and Employment Act 2015 will be introduced. The first of which is a limit to the number of postponements and adjournments that can be granted in a single case in the employment tribunal. It also introduces a deadline after which applications for postponements will not be allowed. This is to prevent unnecessary delays in employment tribunals, which can end up being costly for numerous parties, and are often viewed as a waste of time or as being “tactical”.

The second of which will give tribunal enforcement officers the power to levy a financial penalty against employers who fail to pay employment tribunal awards to the relevant parties. A large portion of employment tribunal proceedings, where the claimant has been successful, result in an employer having to pay an award. Unfortunately, once the issue has been settled in the tribunal many employers refuse to pay this amount and the claimant never receives part or all of their reward. In an effort to tackle this a penalty is being introduced which will be 50% of the amount owed and subject to a minimum threshold of £100 and a maximum amount of £5,000.

Future Employment Law Changes

There are times when the Government announces employment law changes suddenly or at the very last minute. When this occurs we will endeavour to update you as early as possible. In an effort to prepare you for up and coming changes, we have taken the liberty of preparing a short list of imminent changes that do not currently have implementation dates:

- The Small Business, Enterprise and Employment Act 2015 will fully come into force over the next few years. This Act contains various provisions relating to employment law, tribunal procedures, and pay. Each time a section of this Act is introduced it will be reported on individually.
- The Trade Union Bill will reform the rules on trade union ballots in order for unions to take strike

action. We will address this issue once the implementation date and more information has been published.

How Can We Help?

If you have any queries relating to any of the subjects raised within this newsletter then please don't hesitate to contact us at hradvice@hasslefreehr.co.uk

Please Note:

We have recently moved office to: Hassle Free HR Limited, 1160 Elliott Court, Herald Avenue, Coventry Business Park Coventry, CV5 6UB.

Our new Telephone Number is: 02476 992869.