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Human Resources & Health and Safety



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Do you employ staff?

### March Employment Law Update

#### 1<sup>st</sup> April 2017

Historically the National Minimum Wage for those aged 21 and under has always been reviewed and potentially updated in October of each year. However, since the introduction of the National Living Wage, which is reviewed in April and potentially updated in April of each year, it has been decided that this can be confusing. As of this date, following a Governmental review, any reviews and potential updates to the National Minimum Wage will now be introduced in April of each year, at the same time as the National Living Wage.

The annual increase to the National Minimum Wage, that will apply from the 1<sup>st</sup> April 2017, are as follows:

- £3.50 per hour for apprentices aged under 19 years of age, or aged 19 and over who are in the first year of their apprenticeship.
- £4.05 per hour for employees aged 16-17 years old.
- £5.60 per hour for employees aged 18-20 years old.
- £7.05 per hour for employees aged 21-24 years old.

The National Living Wage will also be increasing to £7.50 for employees aged 25 and over.

#### 2<sup>nd</sup> April 2017

As of this date the statutory rates for Maternity pay, Paternity pay, Adoption pay and Shared Parental pay will rise from £139.58 per week to £140.98 per week.

#### 5<sup>th</sup> April 2017

As of this date, there will be a requirement for employers with 250 or more employees in the private and voluntary sectors to calculate and publish, on an annual basis, the mean and median gender pay gap in their Company. As well as publishing the gender pay gap, they must also disclose how many men and women are in each quartile of pay in their workforce. The information published must be based on data as it is in the “pay period” in which the 5<sup>th</sup> April falls each year. The “pay period” is the period in which the employer usually pays the employees, whether this is weekly, fortnightly, monthly, etc. The data should include the pay information for all relevant employees during the “pay period”, which is any employee on full pay (full pay does not mean “full time pay” and instead refers to employees who are not prohibited from receiving their full pay e.g. a woman on maternity leave is not in receipt of full pay).

The pay calculated for the data should include basic pay, fully paid leave, area allowances (payments made to an employee because they work in a certain part of the country e.g. London), shift premium, bonus pay and other pay such as car allowances paid through payroll, on-call allowances etc. It should not include overtime pay, claimed expenses, benefits in kind, any salary sacrifice scheme information, redundancy or termination payments, arrears of pay, or tax credits.

The information should be published in the following way:

- The difference in mean pay between male and female employees, expressed as a percentage
- The difference in median pay between male and female employees, expressed as a percentage
- The difference in mean bonus pay over the preceding 12 months between male and female employees
- The proportion of male and female employees who received bonus pay during the preceding 12 months, and
- The number of male and female employees in each quartile pay band.

There is no obligation under the regulations to also publish an explanatory report, but the Government recommends employers do this to contextualise the information.

The information must be published on the Company’s website, where it should be made visible to employees and members of the public for a minimum of three years, and the information should also be published to a Government website (this website is currently under construction, when it has been created we will include the link in a future Employment Law Update). The Government will monitor compliance with these regulations.

This information must be published by no later than 4<sup>th</sup> April 2018.

## 6<sup>th</sup> April 2017

On this date, the Apprenticeship Levy, a new scheme for the purpose of raising money to meet the cost of apprenticeship training, will be introduced. The Levy applies to all industry sectors, both public and private, but is only applicable to large employers with a pay bill of more than £3 million per annum. Employers who fit this description will be required to “donate” 0.5% of their wage bill (excluding benefits in kind, etc.) via monthly PAYE payments. The Levy was introduced via the Finance Act 2016 and was the cause of some controversy due to some employers concerned about the cost of the Levy, but employers will receive an allowance of £15,000 to

offset against the payment of the Levy, which is why it only applies to employers with a pay bill exceeding £3 million per annum. Employers who do not contribute to the Levy will continue to receive Government funding for apprenticeship training, but they will be required to fund 10% of the costs themselves.

Also on the 6<sup>th</sup> April 2017, it has been confirmed that the earnings trigger for Pensions Auto-Enrolment has been frozen for the tax year 2017/18 at £10,000, and will therefore stay the same. However, despite this freeze, the lower level of qualifying earnings will be rising to £5,876, and the upper level of qualifying earnings will increase to £45,000.

Again, on the 6<sup>th</sup> April 2017, the standard rate for statutory sick pay will increase from £88.45 per week to £89.35 per week.

### April 2017 (non-specified date)

On a yet to be specified date in April 2017, Section 85 of the Immigration Act 2016 will be introduced. This regulation will introduce a skills charge, meaning that employers who employ migrant workers under tier 2 of the points-based system of immigration will be subject to a levy of £1,000 per certificate of sponsorship per year. This amount will be reduced to £364 per certificate for small employers and charities.

The minimum salary threshold for migrant workers under tier 2 of the points-based immigration system is also expected to increase to £30,000 in April 2017.

### New additional 'HR Plus' Services

We are pleased to confirm that we will be offering new additional **hands-on** and **fixed-fee** 'HR Plus' services throughout 2017; these will include outsourced support with the management of:

- **Maternity, adoption, shared parental leave and associated flexible working requests;** we will meet with you in order to gather relevant information, introduce ourselves to your employee, take care of all associated administration (letters etc.) including the pregnancy risk assessment. Keep in contact with your employee during the leave period, keeping you up-to-date as is necessary, meet again with both parties (independently) prior to the return to work, discuss and design the re-induction process and carry out a post-return to work review to ensure a successful return for both parties.
- **Recruitment;** we will meet with you in order to gather relevant information, discuss and agree with you how to advertise the vacancy and source candidates, receive and sift all applications to select suitable candidates for first stage interviews, interview candidates selecting a short-list of candidates for second stage interviews. Includes all administration prior to second stage interviews.
- **Absence Management;** we will meet with you in order to gather relevant information. For short-term absences, we will hold return to work interviews and complete necessary administration and if appropriate manage the formal absence management process for you. For long-term absences, we will meet with the employee, complete all necessary administration (follow up letters etc.), refer to occupational health if appropriate, manage the return to work process or the formal capability dismissal process as required. Keeping you updated, every step of the way.

## How We Can Help

If you have any queries relating to any of the above please don't hesitate to contact us at [hradvice@hasslefreehr.co.uk](mailto:hradvice@hasslefreehr.co.uk)