

# Human Resources



Do you employ staff?

## Employment Law Update - March 2025

In this employment law update, we include information about forthcoming legislative changes, which are due to take effect in April 2025.

### Increases to Statutory Payments

#### National Minimum Wage (NMW) and National Living Wage (NLW)

From 1 April 2025 the National Minimum Wage (NMW) rates will increase as follows:

- Apprentices under 19 or 19 and over 19, and in the first year of their apprenticeship, the NMW rate will increase to £7.55 per hour.
- Apprentices 19 or over 19 and in their second year of apprenticeship onwards, the NMW rate will increase to £10 per hour.
- Young Workers Rate aged 16 and 17, will increase to £7.55 per hour.
- National Minimum Wage for Workers aged 18 to 20, will increase to £10 per hour.
- National Living Wage (NLW) rate for workers aged 18 to 20 will increase to £10 per hour and for workers aged 21 and over, the rate will increase to £12.21 per hour.

#### Statutory Sick Pay (SSP)

From 6 April 2025 Statutory Sick Pay (SSP) will increase from £116.75 to £118.75 per week, with the Lower Earnings Limit (LEL) increasing to £125 per week.

#### Compensation Limits

At the time of publicising this update, we are still waiting to hear about the anticipated increases to tribunal compensation limits. We will update you on these anticipated increases in due course.

They will include:

- Limit on Guaranteed Payment.
- Limit on a week's pay for calculating a statutory redundancy payment and unfair dismissal basic award.
- Maximum basic award for unfair dismissal and statutory redundancy payment.
- Minimum basic award for dismissal on trade union, health and safety, occupational pension scheme trustee, employee representative and on working time grounds.

- Maximum award for unlawful inducement relating to trade union membership or group activities, or collective bargaining.
- Maximum compensatory award for unfair dismissal — subject to a maximum cap of a year's pay. Minimum compensation for employees excluded/expelled from trade union.
- Claims (if a claim for breach of contract e.g., wrongful dismissal) is raised in an employment tribunal.

### Family Friendly Payments

From 6 April 2025 Family Friendly Payments i.e., Statutory Maternity Pay (SMP), Statutory Adoption Pay (SAP), Statutory Shared Parental Pay (ShPP), Statutory Paternity Pay (SPP), and Statutory Parental Bereavement Pay (SPBP) will increase from £184.03 to £187.18 per week. Statutory Neonatal Care Pay (SNCP) will also be paid at the rate of £187.18 per week.

### Neonatal Care Leave and Pay

From 6 April 2025, under the Neonatal Care (Leave and Pay) Act 2023 and related regulations, parents of babies who are admitted to hospital for neonatal care before they are 28 days old, and for at least one week, will get a maximum of 12 weeks' leave, paid at the statutory rate, in addition to maternity/paternity leave. We will be providing our retained clients with an associated new policy to cover Neonatal Care Leave and Pay in due course.

### Employer's National Insurance Contributions

From 6 April 2025 the rate of employer's National Insurance Contributions (NICs) will increase from 13.8% to 15% (a 1.2% increase). The secondary threshold (the threshold after which employers start paying NICs on their employees' earnings) will also decrease from £9,100 a year to £5,000 a year (£758 a month to £417 a month). The maximum Employment Allowance, which can be used by employers to reduce their NIC liability, is increasing from £5,000 to £10,500 and the £100,000 restriction (based on Class 1 NICs paid in the previous tax year) that currently applies to the Employment Allowance will be removed, enabling more small employers to take advantage of the Employment Allowance and offset their NIC liability.

### How can we Help?

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](mailto:hradvice@hasslefreehr.co.uk).

Source: Chartered Institute of Personnel and Development (CIPD) and Gov.UK

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