

AdviserPlus HR

Employment Law Update

February 2019

What's New this Month

Consultation on extending redundancy protection for women and new parents

Currently, if a woman is selected for redundancy whilst on maternity leave, the employer must give them priority over other redundant employees, when offering suitable alternative roles. The Government is proposing to extend this right to women who have returned to work from maternity leave within the last 6 months, women who have told their employer that they are pregnant and to those on adoption leave, shared parental leave and longer period of parental leave.

The Government has published a consultation paper, responses to which are sought by 5th April 2019.

Upcoming Legislation Updates

6 April 2019

Maximum penalty for aggravated breach increases to £20,000

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.

Requirement for payslips to state hours worked where pay varies.

The Employment Rights Act 1996 (Itemised Pay Statement) Order 2018 requires that, where an employee's pay varies based upon the hours worked, the payslip includes the number of hours for which the employee is being paid. The change is designed to make it easier for hourly paid staff to ensure that they are paid correctly and to address under payments.

The draft Employment Rights Act 1996 (itemised pay statement) (No.2) order 2018 extends the right to an itemised pay statement to workers.

Statutory sick pay rises

The rate of statutory sick pay increases from £92.05 to £94.25 per week.

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Statutory parental pay rises

The rates of statutory maternity, paternity, adoption and shared parental pay increase from £145.18 per week to £148.68 per week.

April 2020

Changes to tax treatment of termination payments above £30,000

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 Contribution Bill.

Parental Bereavement rights

The **Parental Bereavement Act 2018** provides for two weeks leave and statutory pay in the event a parent loses a child under the age of 18. The entitlement to pay is conditional upon 26 weeks' continuous service and for employees with under 26 weeks' service, they will be entitled to unpaid leave only. The Act received Royal Assent on 13th September and the Bill is now an Act of parliament. The Government has announced that it will introduce regulations in order to bring the Act into full force and this is anticipated in 2020.

Intermediaries legislation (IR35) extended to the private sector

IR35 is tax legislation that is designed to combat tax avoidance by workers supplying their services to clients via an intermediary, such as a limited company, but who would be an employee if the intermediary was not used. Such workers are called 'disguised employees' by the HMRC. The IR35 will extend to the private sector in 2020.

To be confirmed

Trade Union (Deduction of union Subscription from Wages in the Public Sector)

These draft regulations implement new arrangements for check-off for public-sector employers. Check-off arrangement allows an employer to deduct union fees from an employee's wages in order to pay to the union directly.

Where a contract of employment or collective agreement contains arrangements for check-off, the arrangement can continue only where the trade union meets the administrative cost in respect of making the deductions and workers have the option to pay their trade union subscriptions by other means.

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Investigatory Powers (Interception by Businesses etc for Monitoring and Record-keeping Purposes) Regulations 2018

This regulation allows organisations to intercept communications sent from their telecommunications systems where there is a legitimate business reason.

This includes establishing whether or not staff using telecommunications systems are achieving the standards required by the organisation within the course of their duties.

Income tax personal allowance linked to national minimum wage

Any increase in the income tax personal allowance will take into account national minimum wage increases to ensure that workers on the national minimum wage working up to 30 hours per week do not pay income tax.

The new measure is contained within the Finance Act 2015.

New pension protections introduced

The Pension Schemes Bill introduces pension proposals to strengthen consumer protection in master trust schemes, which are multi-employer occupational pension schemes.

The legislation sets out several requirements in relation to a master trust scheme, including that: persons involved in the scheme are fit and proper; the scheme is financially sustainable; scheme funders meet certain requirements about their financial situation; and the scheme has an adequate continuity strategy. It also contains provisions relating to early-exit charges.