



CHILTERN HR

APRIL 2014

NEWSLETTER

110 Butterfield, Great Marlings
Luton ■ Bedfordshire ■ LU2 8DL

T: (01582) 439 795

F: (01582) 439 796

E: philip.ivinson@chilternsolicitors.co.uk

www.chilternsolicitors.co.uk

1. **April reforms**

A number of changes to employment law, statutory rates and awards came into force earlier this month. The main ones employers should be aware of are as follows:

Statutory Sick Pay

On 6 April the SSP record-keeping obligations were abolished. This means that employers no longer need to keep records of sickness absence and SSP payments for three years after the end of each tax year and will be allowed to keep records in a flexible manner more suited to their organisation. At the same time the standard rate of Statutory Sick Pay increased from £86.70 per week to £87.55 per week. Also the schemes that permitted employers to claim reimbursement of payments of SSP to employees were revoked on 6 April.

Maternity, Paternity and Adoption Pay

On 6 April the rate of statutory maternity pay, ordinary and additional statutory paternity pay and statutory adoption pay increased from £136.78 per week to £138.18 per week.

Tax and NICs

Changes to the tax rates and thresholds came into force on 6 April. The income tax personal allowance increased to £10,000, the basic rate limit for income tax went down from £32,010 to £31,865 and the national insurance contributions threshold increased from £109 per week to £111 per week. At the same time an employment allowance was introduced entitling businesses and charities to receive an employment allowance of £2,000 per annum towards their employer NICs bill.

Automatic Enrolment

On 1 April the window employers have to enrol eligible jobholders into a pension scheme was extended from one month to six weeks. On 6 April the earnings thresholds for auto-enrolment increased with the lower level of qualifying earnings rising to £5,772, the earnings trigger for auto-enrolment increasing to £10,000 and the upper level of qualifying earnings increasing to £41,865.

Tribunals

On 6 April an Early Conciliation scheme was introduced. It will be voluntary to begin with. However, from 5 May those wishing to bring an employment tribunal claim will, in most cases, have to submit details of their dispute to ACAS, at which point they will be offered Early Conciliation for a period of one month. At the same time a provision enabling an employment tribunal to order that a losing employer pay a financial penalty if the breach of the employment right in question has 'one or more aggravating features' came into force. Also limits applying to certain employment tribunal awards and other amounts payable under employment legislation increased on 6 April.

Illegal workers

The maximum civil penalty for illegally employing an immigrant increased from £10,000 to £20,000 on 6 April.

Discrimination questionnaires

Statutory discrimination questionnaires were abolished on 6 April. Non-binding guidance published by ACAS on how employers should deal with questions regarding discrimination in the workplace now applies.

2. National Minimum Wage

Increases to the National Minimum Wage rates will take effect from 1 October.

The new rates will be as follows:

- The standard adult rate (for workers aged 21 and over) will increase from £6.31 to £6.50 an hour;
- The youth development rate (for workers aged between 18 and 20) will increase from £5.03 to £5.13 an hour;
- The young workers rate (for workers aged under 18 but above the compulsory school age and to whom the apprentice rate does not apply) will increase from £3.72 to £3.79 an hour;
- The apprentice rate will increase from £2.68 to £2.73 an hour;
- The accommodation offset will rise from £4.91 to £5.08 a day.

The Government has also indicated that it intends to review the law and clarify the entitlement of migrant domestic workers to the NMW with a view to reducing non-compliance.

Separately BIS has published an updated policy on NMW enforcement which can be found [here](#)

3. Time off

The Children and Families Act 2014 has now received Royal Assent.

From an employment perspective this means that:

- From 30 June the right to request flexible working will be extended to all employees with at least 26 weeks' service. The current statutory procedure for dealing with flexible working requests will be replaced with a duty on employers to consider requests in a reasonable manner, which will be supplemented by an ACAS statutory code of practice;
- From 1 October fathers and partners will be entitled to take time off work to attend up to two antenatal appointments;
- From 5 April 2015 mothers, fathers or adopters will be able to choose to take shared parental leave within the first year after the birth or adoption placement (this will only apply to parents of babies due or children placed for adoption on or after this date).
- From 5 April 2015 adopters' pay and leave entitlements will be brought into line with those of birth parents.

4. A new maternity allowance is being introduced

Women who work in an unpaid capacity in the business of their self-employed husband or civil partner will be entitled to a maternity allowance if their expected week of confinement begins on or after 27 July.

A woman will be eligible for the new allowance if:

1. she has become pregnant and has reached, or been confined before reaching, the commencement of the 11th week before the expected week of confinement; and
2. for any part of the week in the case of at least 26 of the 66 weeks immediately preceding the expected week of confinement, she has worked with a person who at the time of her doing so was her spouse or civil partner, and was engaged in employment as a self-employed earner; and
3. her husband/ civil partner is liable to pay a Class 2 contribution in respect of the 26 weeks referred to above; and

4. she is not entitled to a maternity allowance or statutory maternity pay, for the same week in respect of the same pregnancy.

The rate of the maternity allowance that is payable for any particular week will be 90 per cent of the amount of the maternity allowance threshold for the tax year in which the week ends, which is currently £30. The maternity allowance will be payable for a maximum of 14 weeks.

Reference: The Social Security (Maternity Allowance) (Participating Wife or Civil Partner of Self-employed Earner) Regulations 2014

5. Surrogacy

The European Court of Justice has held that female employees who receive babies under surrogacy arrangements are not entitled to maternity leave even if they breastfeed their baby.

6. Managing young people

A guide for employers on managing young people has been published. The Managing Future Talent guide has been jointly produced by ACAS, CIPD and unionlearn. It contains a number of tips for managing young people and covers a wide range of topics including inductions, legal guidance on employing young people, and expectations-setting, conduct and behaviour. A full copy of the guide can be found [here](#)

7. Post-employment victimisation

The Court of Appeal has held that the Equality Act 2010 does cover post-employment victimisation. It accepted that the wording of the Equality Act does not cover post-employment victimisation. However, it said that this must be an unintentional drafting error. Post-employment victimisation is prohibited under EU law and that being the case the Court said that it was obliged to interpret the Act consistently with EU law.

What does this mean?

In this case the employer provided an unfavourable reference after dismissing one of its employees because the employee had brought proceedings against it. This amounted to unlawful victimisation.

What should employers do?

Employers should take specific legal advice before providing an unfavourable reference.