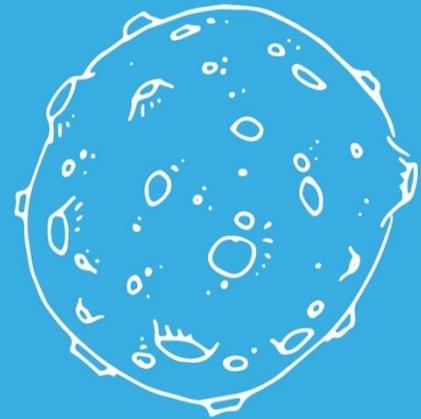


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HR180 WHITE PAPER

The UK Employment Law Landscape: HR180's Top 10

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INTRODUCTION

A route through the confusion that is the Employment Law Landscape.

The Government and various bodies have been super busy in the past few weeks, months, if not years, putting together a plethora of requirements which UK business owners and managers, like you, have to do their best to implement. Well more than your best – it's no good giving a whistle for good luck whilst keeping your fingers crossed behind your back, I'm afraid!

The HR180 Boffins have taken a look at some of the most pressing issues and over the last few weeks we have written about these in the <http://www.hr180.co.uk/blog/>. This White Paper brings together 10 current Employment Law topics to give you an overview of what you might need to have in place from April 2017. These pages form a guide rather than an A-Z of advice, but we are here for you if you need a little more information.

Call us for free first advice on 0113 287 8150 to talk about your situation and how current and future Employment Law and trends may affect your business or in fact ANYTHING people related.

We hope you find this document a useful read and if you'd like to see more like this then please leave your details via <http://www.hr180.co.uk/contact-us/> .

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1: STATUTORY REDUNDANCY PAY

Have you budgeted for statutory redundancy pay increases from April 2017?

How is your HR strategy looking for the next financial year? All in good shape? Got all your new minimum wage levels in place in your staffing budget and payroll? Yes, then well done! How about the new maximum redundancy rates coming into force April 2017? Ooooo, did we get you there? Never fear, HR180 is here! Our HR Manager and payroll guru, Tim Frear, tells us more about what to expect and why you should be taking notice right now!

by Tim Frear



With April 2017 Employment Law changes knocking at our doors, it's time to remember some of the increases in government rates. We are all made aware from radio and TV adverts that minimum wages are increasing to £7.50 for over 25 year olds, £7.05 for those employees between 21 to 24, £5.60 for 18 to 20 year olds with under 18's getting just a 5p increase to £4.05. There is a slight change in the apprentice rates

increasing from £3.40 to £3.50 per hour.

However, each year HR professionals working on redundancy and restructures completely forget to update their costings associated with making these redundancies, affecting their budgets and the figures we provide to our shareholders and employees. For any redundancies on or after 6 April 2017 the redundancy cap on weekly wages is to increase by £10 from £479 per week to £489 per week.

The maximum statutory redundancy payments will therefore change from £14,370 to £14,670. If you have followed fair consultation practices and have provided your employees with a redundancy schedule detailing their redundancy packages you will need to resend with the new rates.

The standard redundancy rules are not changing – an employee will still need 2 years' service and will get one week's pay for each full year they worked when they were 22 years old or older but under 41 years old, and one and a half week's pay for each full year they worked when 41 years old or older. Your length of service is still capped at 20 years.

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The maximum compensatory award for unfair dismissal is also increasing to £80,541 from the current £78,962. The rise in the unfair dismissal award applies where the effective date of termination is on or after 6 April 2017.

All new rates can be found in the [Employment Rights \(Increase of Limits\) Order 2017](#).

2: WORKPLACE PENSION

The Workplace Pension - Don't ignore it!

Have you been ignoring it? It appears that many business owners and managers have! In spite of the fact that the Government has been backing ads with a HUGE fluffy monster all over it... HR180's HR Manager, Laura Rigby, takes a look at workplace pensions and why employers need to act now.

By Laura Rigby

If you've been hidden away for the past 5 years and if you haven't seen the new Pensions Regulator advert with the big multi-coloured fluffy monster/strange looking teddy bear thing ('Workie'!) you might not have realised that all [employers are now required to enrol their employees into a workplace pension](#).



I employ someone, what does that mean for me?

Any employee who is aged 22 or older and who earns more than £10,000 per year will need to be included in the pension scheme. As their employer, you'll need to contribute into their pension too and the minimum rates are set out below:

| Date | Employer Minimum Contribution | Total Minimum Contribution |
|-----------------------------|-------------------------------|--------------------------------------|
| Before April 5 2018 | 1% | 2% (including 1% staff contribution) |
| April 6 2018 – April 5 2019 | 2% | 5% (including 3% staff contribution) |
| After April 6 2019 | 3% | 8% (including 5% staff contribution) |

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When will I need to have a pension in place?

2017 will see the largest number of companies reach their auto-enrolment staging date since it started in 2012, with the majority of these businesses being SMEs. From October, all companies, regardless of size, will be expected to have a workplace pension in place.

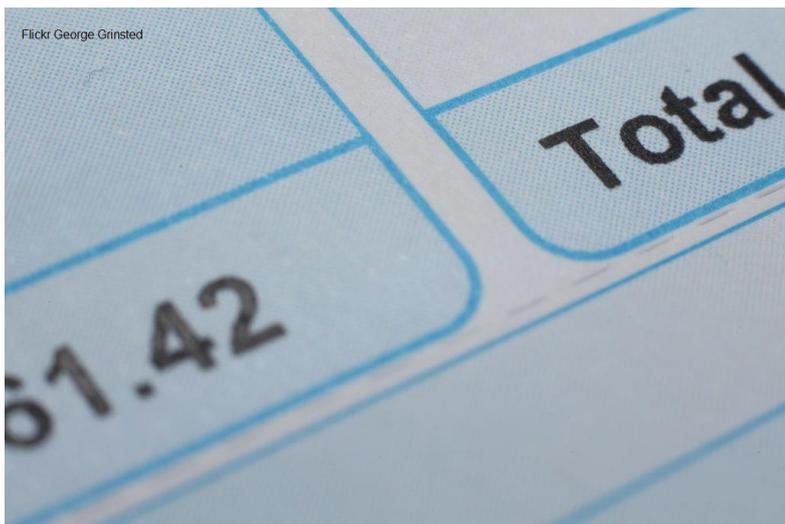
What does that mean for employers?

If you don't already have your workplace pension set up, it **will be** happening in 2017. Whilst we know that this is a big investment for smaller business, unfortunately, it can no longer be ignored. Bear in mind pension schemes can take a while to set up, so we strongly suggest that you need to start putting plans in place now.

3: APPRENTICESHIP LEVY

Will I have to pay the Apprenticeship Levy?

HR180 offers commercial HR services to a vast range of business partners of all sizes across Leeds, Yorkshire, the UK and internationally. With the introduction of the new Apprenticeship Levy in April 2017, British businesses of all sizes have a role to play in improving apprentice training – but not everyone will have to pay into the fund. Here's the low down.



Apprenticeship Levy - do I pay it?

There has been a lot of noise about the new Apprenticeship Levy announced in the Summer budget in 2015 and its introduction is just weeks away. The worry has been that all employers would have to pay it, and that it would be just another 'tax' on business.

(<https://www.gov.uk/government/publications/apprenticeship-levy>).

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The good news for SMEs is that it is a payment will be made only by larger businesses, with the resulting apprenticeship funding available from 1 May 2017, whether you pay the levy or not. However, where you started training BEFORE 1 May 2017, you must carry on funding training for apprentices under the terms and conditions that were in place at the time the apprenticeship started.

Who pays what?

The levy requires all employers operating in the UK, with a pay roll of over £3 million each year, to invest in apprenticeships. From 6 April 2017, the levy will only be paid on the annual 'paybill' at a rate of 0.5% in excess of £3 million, and so less than 2% of UK employers will pay it. Each employer will receive an allowance of £15,000 to offset against their levy payment. For a number of employers who are ready to act now, they may wish to have apprenticeships take effect before 1 May because on the existing terms the Government pledge to pay 100% of approved training for apprentices whereas after 1 May the figure reduces to 90% (with on average the saving being £250).

Why is it being introduced?

The government has committed itself to an additional 3 million apprenticeship starts in England by 2020 and the Apprenticeship Levy aims to help deliver new apprenticeships. The government information states that the proceeds will support 'Quality training by putting employers at the centre of the system' and 'Employers who are committed to training will be able to get back more than they put in by training sufficient numbers of apprentices'.

How will it be paid?

We have taken this extract from Gov.UK:

The levy will be payable through Pay As You Earn (PAYE) and will be payable alongside income tax and National Insurance. To keep the process as simple as possible 'paybill' will be based on total employee earnings subject to Class 1 secondary NICs. It is based on known definitions which employers will already use in relation to National Insurance contributions. For employers paying the levy, the measure is expected to have some impact on administration costs and the impact will vary by employer, depending on the size of their paybill. The policy intention is that they will calculate and pay the levy on a monthly basis. HM Revenue and Customs (HMRC) will engage with employers to discuss and assess the impacts on them.

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Whatever the size of your business, we cover ALL your people issues. From payroll to training and from mentoring to helping you plan your strategies we offer flexible expertise in HR.

4: TAX-FREE CHILDCARE

Employers: you need an action plan for tax-free childcare rolling out from April 2017

Edenred (<http://www.edenred.co.uk/>) created the UK's first Childcare Voucher scheme in 1989. Here's the company's take on key changes confirmed in the Chancellor of the Exchequer's March 2017 budget speech, regarding the roll out of Tax-Free Childcare will begin from April 2017 to reach all eligible parents by the end of the year.



Changes introducing tax-free childcare are upon us, so how does that impact you as an employer? If you haven't already, you need to ensure you have an action plan in place to prepare. It will impact your working parents and your bottom line through reduced employer NI savings.

Key message for your employees

Working parents should be reminded that they do not need to make a hasty decision right away. Many people will actually be worse off under the new scheme, or not even eligible to join. For members of the Edenred scheme (like we are at HR180) the following will be occurring – check with your own Childcare Vouchers supplier for their timeline.

- The Childcare Vouchers scheme will run alongside Tax-Free Childcare, but you cannot be on both schemes at the same time.
- Childcare Vouchers will be closed to new entrants from April 2018. Should your family situation change over the next 12 months, so too could the decision over which scheme is best for you.

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- By joining, or staying on the employer Childcare Vouchers scheme, you can keep your options open, so you have the choice nearer the time. Once April 2018 comes around, that choice will be taken away if you are not already on the Childcare Vouchers scheme.
- Anyone who joins the Childcare Voucher scheme before April 2018 can keep receiving the vouchers for as long as they need to beyond this date.

5: PENALTIES FOR USING MOBILE PHONE WHILST DRIVING

Text driving - £200 and 6 points from March 2017: Employers know your responsibilities

Do you have a mobile phone policy in your Employee Handbook and specifically about using them whilst driving? You would be surprised how many businesses don't. Yet March 2017 saw the introduction of tougher penalties for those caught using mobile phones whilst driving – even when stopped in a traffic jam – and employers will risk prosecution too.



There are shocking stories of deaths on the road caused simply by someone replying to a text or getting totally distracted by taking a mobile phone call without a hands-free set – the same goes for using the phone as a Satnav.

A video from the AA website (<https://www.theaa.com/driving-advice/legal/mobile-phones>) aims to show that using a mobile phone is even more dangerous – and at least as anti-social – than drink driving.

Using a phone whilst driving IS anti-social, and it will become less acceptable

- and quickly - with this new campaign. People are fallible so ALL OF US need to have a sense check when that mobile pings in the car!

Employers - what are your responsibilities?

You might be open to prosecution if you:

- Cause or permit employees to drive while using a phone or to not have proper control of the vehicle.
- Require employees to make or receive calls whilst driving.
- Install a phone and subsequently your employee drives dangerously because they're using a phone.

This is even for a hands-free phone so it is imperative that you make sure the correct policies, procedures – and perhaps most crucially – training is in place to ensure that your employees operate within the law, and in safety – for themselves and other road users.

Don't be caught out, talk to HR180 about how we can help develop your Employee Handbook and/or Employee Policy as a one-off project or help with training your people – and keep them safe.

6: NATIONAL MINIMUM WAGE PART ONE

Top 10 excuses for not paying National Minimum Wage

The Department for Business, Energy and Industrial Strategy recently named and shamed 350 employers for failing to pay the national minimum wage. HR180's HR Manager, Laura Rigby, had a jaw dropping moment when she read the top 10 excuses errant employers made for NOT paying the legally enforceable National Minimum Wage hourly rate.

By Laura Rigby



Although it should be obvious that the national minimum wage is non-negotiable, nearly 700 UK businesses were fined £1.4million last year, which is simply unacceptable – and the excuses given make it even worse.

Make sure you keep up to date with minimum wage requirements – see the next article in this White Paper for more information.

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I was going to emphasize just a few of the reasons given, but I couldn't decide which were the most shocking, hence me sharing the full list below:

1. The employee wasn't a good worker so I didn't think they deserved to be paid the National Minimum Wage.
2. It's part of UK culture not to pay young workers for the first 3 months as they have to prove their 'worth' first.
3. I thought it was ok to pay foreign workers below the National Minimum Wage as they aren't British and therefore don't have the right to be paid it.
4. She doesn't deserve the National Minimum Wage because she only makes the teas and sweeps the floors.
5. I've got an agreement with my workers that I won't pay them the National Minimum Wage; they understand and they even signed a contract to this effect.
6. My accountant and I speak a different language – he doesn't understand me and that's why he doesn't pay my workers the correct wages.
7. My workers like to think of themselves as being self-employed and the National Minimum Wage doesn't apply to people who work for themselves.
8. My workers are often just on standby when there are no customers in the shop; I only pay them for when they're actually serving someone.
9. My employee is still learning so they aren't entitled to the National Minimum Wage.
10. The National Minimum Wage doesn't apply to my business.

It's not often I'm shocked doing what I do for a living but these excuses really do belong in the last century (if not the century before!) If this is an HR issue too far and you're worried about your people issues going off the rails, it's time to call HR180's team of superstars to fly in and get you on the right track...

7: NATIONAL MINIMUM WAGE PART TWO

Make sure you're ready for the New National Minimum Wage

It's that time of year again whereby the government applies a statutory increase to National Minimum Wage (NMW). Here HR180 lays out the facts and figures for the new National Minimum Wage rates from April 2017.



I know... it doesn't seem two minutes since the last increase was applied! Following on from Laura's previous article highlighting the top ten excuses employers make for NOT paying the National Minimum Wage, it's a good time to get to grips with what you need to know to make sure you are not one of the 700+ business who face a fine (and being named and shamed!) for failing to pay what

your employees are entitled to.

With this in mind, we wanted to update you with the latest information so that you can ensure you're ready to go live with the increases and plan ahead with your budgeting!

From 1 April 2017 the following rates will take effect:

- The rate for employees aged 25 and over will increase by 30 pence to £7.50
- The rate for 21 to 24 year olds will increase by 10 pence to £7.05 per hour
- The rate for 18 to 20 year olds will increase by 5 pence to £5.60 per hour
- The rate for under 18s will increase by 5 pence to £4.05
- The apprentice rate will increase by 10 pence to £3.50 per hour

These rates are statutory minimum rates and therefore employers must pay all workers at least the appropriate rate for their age.

If you're a worker, you should check whether you're getting the correct minimum wage and whether you are owed any payments from your employer.

Even when your staff have amazingly complex shift patterns or are younger people who are moving into a higher paid band we can pick that up for you!

Don't let the National Minimum Wage pass you by this year! HR180 offers a sophisticated payroll service to SMEs, which acts as a double check to make sure that your employees are correctly paid. Worth a chat through isn't it?

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8: GENDER PAY GAP

Gender Pay Gap Reporting: Your Responsibilities, The Timings & 5 Actions You Can Take Now

At HR180 we are committed to equality for all employees irrespective of gender. We work with organisations of all sizes to establish working policies to go above and beyond Employment Law requirements, to protect both employees and employers alike. With requirements for Gender Pay Gap Reporting just weeks away, in association with *Forward Ladies*, HR180 takes a closer look at what the responsibilities on business



owners will be, what the timings are likely to be and what you can be doing right now to make sure you are ahead of the game.

What is happening?

The Government wants to highlight companies that do not address pay differences between men and women. Both companies AND voluntary organisations from this April will be required to publish the number of men and women in all their various pay ranges to clearly show where pay gaps are at their widest.

Gender Pay Gap, in the 21st Century?

Yes... really! Almost 50 years ago, 200 female workers walked out of the Ford Motor plant in Dagenham in protest at their unequal treatment compared with male workers who carried out similar work. The 1968 Dagenham women's strike raised attention throughout the UK and crucially, led to equal pay legislation.

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Whilst equal pay results in both men and women being paid the same amount for the same or equivalent type of work, while the gender pay gap is the difference in average hourly earnings between the sexes.

And in 2017 we ARE talking about the Gender Pay Gap as it's STILL a major problem for working women, according to the ONS. Recent figures show that average pay for men is greater than that for women and though the gap narrowed to 9.4% for full-time employees in 2015 (lowest since records began in 1997) the actual percentage has stayed relatively static.

Your responsibility?

It could be! This is because employers with more than 250 staff will be obliged to report information on the gender pay gap in their organisation from 6 April 2017. This is the date The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 comes into force. There are significant requirements so it is crucial you have the correct stats in place.

Over 250 staff - what do I need to publish?

According to the Government's own explanatory note, the main points from the legislation which you will be required to publish are:

- the difference between the average hourly rate of pay paid to male and female employees
- the difference between the average bonus paid to male and female employees
- the proportions of male and of female employees who receive bonuses
- and the relative proportions of male and female employees in each 'quartile' pay band of the workforce.

Businesses really need to get this right so your HR team will need to work with you to ensure you have these figures easily to hand, and give your team PLENTY of time to put the statutory reports together, as failure to comply with any of the full obligations set out and imposed by the Regulations will 'constitute an unlawful act' – with consequences!

Plus, for larger organisations which will be appearing on a promised league table, you really don't want your business to be blacklisted by potential clients or partners because you are a poor performer! And how will you handle the comms aspect – another one your HR professional can help with especially for the fall out with your staff...

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What happens when?

Firstly, we know that the regulations come into force on 6 April 2017. Then no later than 4 April 2018, organisations of 250+ employees size will need to publish statutory data. In the meantime here are 5 things you can be doing:

1. DO I HAVE 250+ EMPLOYEES?

Because the data requirements relate to 'relevant' employees you will need to get a grasp of the definition in the final legislation (though this is yet to be published!) especially if you think you are close to the 250+ level.

2. HR SYSTEMS

Do you know where the data is held within your organisation and how you will gather it for a defined period as required by the legislation?

3. SIZE OF GAP

Why not test the waters using last year's figures? No matter what size your business it is good practice to have an idea of whether or not there's a gender pay gap within your organisation.

4. ON MESSAGE

Get a handle on this data now you are well prepared to put in place an explanation of why there is a gap. This may well help deal with complaints from your workforce and how you say you will deal with the issue can put you ahead of your competition.

5. MAKING CHANGES

Make yourself aware of any pay gap problems in your organisation, then you can look at ways of improving the situation for the first reporting year and onwards. This may be achieved through personal development, or recruiting, of the gender which is poorly represented in a particular pay band, and/or cultural changes in the workplace to close your gender pay gap.

9: HIRING FROM OVERSEAS

Immigration skills charge comes into force April 2017

April 2017 sees the introduction of the new Immigration Skills Charge. HR Manager Tim Frear, takes the business view of the new changes to the Immigration Act 2016.

By Tim Frear



With all the talk of Brexit and tightening of borders, the government is focusing on bringing more skilled jobs to British people. One way in which it wants to encourage recruiting good talent within the UK is its new immigration skills charge. From April 2017 employers who recruit a foreign national on a Tier 2 visa will have to pay an annual charge of £1,000 per worker or £364 for a small employers and charities. This is on top of any charges they agree

to incur from the candidate applying for the visa.

It does beg the question – who decides how much skilled immigration we really need? Working in HR we know that the UK couldn't survive without the great resources we get from people outside the UK, whether that be the skilled Tier 2 candidates or the those from within the European community. Hopefully the new levy will not deter the best candidates applying to work with us in the UK and we can still harness the best candidates from worldwide.

The **Tier 2 visa** is the main UK immigration route for skilled workers coming to the UK from outside the EU to take up employment, for a candidate to be granted the visa they would need sponsorship from a UK employer who holds a valid **Tier 2** sponsorship licence.

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The charge won't apply to PhD-level jobs and international students or those who have been accepted prior to 6 April 2017. For students who have been educated in the UK and would like to transfer their visa to a Tier 2 visa they will be exempt from the charge.

It sounds complicated, however it really isn't. It is designed to cut down on the number of businesses taking on migrant workers and incentivise training British staff to fill those jobs. This charge is the government's first step towards retaining the talented workers and students who are vital in helping the British economy grow.

The government doesn't appear to have identified or published where it intends money will be spent, if there is a need for more UK skilled workforce, I would hope the government would invest the money in further education, but maybe that is me being a little naive...

10: TRADE UNION ACT

The Trade Union Act: From humble origins to modern day changes

HR180's HR Assistant, Nuhman Sharif, shares some background on the Trade Union Act, which originated back in the C19th, and is being updated right now.

by Nuhman Sharif



Have you ever wondered how we ended up with the original Trade Union Act of 1871 or who played a pivotal role in establishing the Act? Well this was something I began to think about last week following a conversation I had with a trade union representative.

In fact, when I did some digging on the matter, it turns out that certain individuals worked tirelessly against the then belligerent Conservative Government to ensure that trade unions were recognised as legal

entities. One of these individuals was Frederic Harrison who served on the Royal Commission on Trade Unions in 1867. He not only prepared union witnesses in advance by providing them with the questions to be asked by the Commission, but also assisted witnesses when they encountered difficulties during cross-examination.

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Robert Applegarth was another notable figure. He was the General Secretary of the Amalgamated Society of Carpenters and Joiners and was appointed to be a union observer. He played a key role in scrupulously examining the veracity of numerous accusations that had been made against employers by their employees and then provided these findings to the pro-union members of the Commission.

Applegarth also gave evidence to the Commission and is widely regarded as the most impressive of all the trade unionists to give evidence.

Next time you work with a trade union representative, think about the lasting contributions of the likes of Harrison, Applegarth and others in ensuring the legality of trade unions!

Bringing the Trade Union Act up to date

But what about modern day changes? The government has introduced reforms to modernise trade union law. Reforms introduced by the Trade Union Act 2016 include:

- ensure that strike action only ever takes place on the basis of clear and representative mandates, through new thresholds that strike ballots must meet
- improve transparency and oversight of trade unions
- require reasonable notice of strike action, and give employers greater chance to prepare for industrial action and put in place contingency plans.

And from the 1st April 2017, specified public sector employers will be obliged to generate a report detailing the paid time off their employees have been allocated for trade union related activities. More can be found via the following link:

<https://www.gov.uk/government/collections/trade-union-bill>

HOW HR180 CAN HELP

A guiding hand - the HR180 approach

When you have a people problem – or think you might have – it's time to put the HR180 team to the test.

With Human Resources superpowers honed over many years, we are dedicated to delivering Outsourced HR which supports your business objectives, offers you commercial options and ensures you retain control without having to worry about the delivery. Working with you as one half of the partnership, we are NOT an advice line: instead we tailor-make an outsourced Human Resources package just for you. Whether you need a one-off project and special services – like payroll, mediation, training, health and safety, occupational health – or fully Outsourced HR, our HR180 experts work with you as your own HR department, helping you all the way.

What now?

For many business owners and managers it is really difficult to find the time (and inclination) to take an objective look at their organisation, given the daily pressures of work, looking after a diverse range of employees and keeping up with employment law and trends!

At HR180 we can help with just about **everything** people related starting with just a phone call, email or just knock on our door! We make a cracking cuppa and offer broad shoulders: either to cry on (!) or to give you a boost to find the motivation you need to tackle the next stage in your business journey.

See more at our website www.hr180.co.uk. If you would like to get in touch simply give us a call free on 0113 287 8150 or email Claire@HR180.co.uk.

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