

# #102 HR Newsletter

## April 2017: Employment Issues Round-Up

### **Childcare Tax Free Scheme - coming soon**

It has been confirmed that the new Tax-Free Childcare Scheme (TFCS) will be launched on 28<sup>th</sup> April for parents of young children. All eligible parents will be able to join the scheme by the end of 2017.

Parents will be able to open their own childcare accounts online and the **scheme will not be led or administered by employers**. It is therefore assumed that the reimbursement of tax will be made by either employees submitting a tax return or via a change in the employee's PAYE code (tbc).

The TFCS will support working families with their childcare costs. The new scheme will eventually replace the current salary sacrifice scheme (Childcare vouchers) and will be open to all qualifying parents including the self-employed. The scheme will also be available to parents on paid sick leave and paid and unpaid statutory maternity, paternity and adoption leave.

The scheme will be worth up to £2,000 per child each year and will be available to children under 12. For every 80p in the £1 contributed by parents an additional 20p or 20% will be funded by government up to a maximum of £10,000. Parents will be able to have one childcare account for each qualifying child.

There will be extra benefits for disabled children until the age of 17. In order to be eligible to use the scheme **Both** parents will have to be in work, and each earning just over an average of £100 a week and not more than £100,000 each per year.

### **New mothers may be protected from redundancy in the future**

Pregnant women and new mothers could be entitled to **additional protection from redundancy** if new government proposals go ahead.

A redundancy ban, whereby firms would be unable to make women redundant during pregnancy, maternity leave or for six months after they return to work, is being considered in response to the *Women and Equalities Committee's August Report on Workplace Pregnancy Discrimination*.

The report called on the government to follow Germany's lead in granting more protections for women who were pregnant or had returned from maternity leave, after research conducted as part of the report revealed that cases of pregnancy-related discrimination had doubled in the last decade, with current figures standing at 54,000.

The government and EHRC-commissioned report, which was published in August last year, made a series of recommendations including strengthening existing protections for

pregnant women and ensuring women and employers understand their rights and obligations through improved access to information.

Sarah Jackson OBE, chief executive of Working Families, added: "The government must make it clear that **a six-month time limit for pregnancy and maternity employment tribunal claims should be the norm**. The onus for asking for an extension cannot rest with women who have been discriminated against."

## **Quotas may be coming for ethnic minorities**

Top UK businesses have been warned to do more to improve Black, Asian and minority ethnic (BAME) diversity voluntarily – or face the prospect of mandatory diversity requirements; **this may include mandatory recruitment quotas for Black Asian and Minority Ethnic staff**.

In a letter to FTSE 350 companies across the UK, business minister Margot James urged employers to act on the recommendations set out in the recently published McGregor-Smith review into career opportunities for black and ethnic minority groups.

Among the 28 recommendations outlined in the Race in the Workplace report, employers were advised to publish a **breakdown of their workforce by race and pay**, set aspirational targets and nominate a board member to deliver on those targets.

The review found that BAME groups were being held back in their careers because of their skin colour. In particular, employment rates were found to be 12 per cent lower than their white peers, while just 6 per cent of those with BAME backgrounds hold executive-level positions.

In her letter, James said: "It simply makes no business sense for people to be left behind because of their ethnic background and I am asking FTSE 350 companies to play their part in driving the agenda for greater diversity in the workplace. Genuine and lasting change must come from within the business community and I encourage companies to take forward Baroness McGregor-Smith's recommendations."

According to The Telegraph, James's letter appeared to **warn employers that if no voluntary** action was taken, **the government would consider legislation**. "We will deliver a clear and coherent message to the business community and the public sector on what needs to be done," said the letter.

Sandra Kerr OBE, race equality director at Business in the Community, said the government drive to tackle BAME diversity was a "great opportunity" for businesses to get race equality in the workplace right. She told People Management: "The independent review by Baroness McGregor-Smith showed improving race equality in UK businesses could be worth £24bn to the economy. And with one in four primary and secondary school children having an ethnically diverse background, employers simply cannot afford to miss out on future talent".