

#106 HR Newsletter

July 2017: Employment Issues and Round Up

Brexit: Proposals for dealing with EU citizens working in the UK

Prime Minister Theresa May has formally outlined her proposals to allow EU citizens to remain in the UK once the country leaves the EU.

In summary, qualifying EU citizens who have been living legally and continuously in the UK for 5 years will be eligible to apply for "settled status".

This will not be available automatically and anyone who qualifies will have to apply for inclusion on a "settled status" register if they want to stay in the country after Brexit. It has yet to be decided whether the residence document for "**settled status**" will be an identity card or simply exist as an entry on a Home Office database. EU citizens who have already applied for permanent residency status documents since the referendum will be asked to apply again, albeit in a streamlined process.

Those who have not yet reached **five years of legal and continuous residence in the UK** will be entitled to apply for continued residence for the UK on a temporary basis until they reach the threshold for "settled" status. Those arriving in the UK after an unspecified cut-off date will be given a two year "grace period" to obtain a work permit or return to their home countries.

The proposals also mean that after Brexit, EU citizens who have acquired "settled status" will have the same rights as British citizens to bring family members into the UK. This would appear to indicate that such EU citizens will lose their right to bring a spouse to live in the UK unless an £18,600 minimum income threshold is met, which is currently applied to family members of British citizens. EU citizens are currently exempt from this minimum income threshold, an immigration rule which is considered harsh by supreme court judges.

When will the process start?

The Government has stated that it wants to give people the opportunity to apply for "settled status" at the earliest convenience, although there is no pressure on people to apply for their new status straight away and no obligation for them to do so before the UK leaves. It is expected that the application procedure will be launched before Brexit – expected to be in the **Summer of 2018**.

The Gig Economy: Publication of the Taylor Report

The Taylor report (commissioned by the Government) into how the UK needs to tackle the various different classes of employees/workers and self-employed **will be published w/c 10th July**.

He is going to recommend that Zero-hour contracts should remain as part of the options open to Employers but may be required to pay a higher rate of NI contributions ("a zero hours levy") to enjoy the benefit of such flexible working.

Practical Law writes:

Matthew Taylor, the chair of the Independent Review of Employment Practices in the Modern Economy (see [Legal update, Taylor review of modern employment practices launched](#)), has said that the review will propose a six-point plan to government to aid in their efforts to ensure the law keeps up with the modern world of work. According to Mr Taylor, the review will support:

- Creating a "national strategy for work".
- Promoting technology that benefits the workforce, while ensuring a "level playing field" with other businesses.
- Creating a fairer tax system that contributes to "sound public finances".
- Initiatives that promote "a fair balance of rights and responsibilities".
- Creating a clear, legal distinctions between "employees", "workers" and the self-employed.
- A more significant role for the low pay commission.

Mr Taylor's comments follow his previous statements that employers should be charged an increased rate if they hire workers on contracts that require them to be on standby for a certain period of time (see [Legal update, Employment news round-up for week to 20 April 2017: Taylor Review: Proposal for employers to pay premium rate for zero hours contracts](#)). While speaking at an event hosted by the Resolution Foundation and the Confederation of British Industry (CBI), Mr Taylor confirmed that the final report will be published in the "next few weeks".

Source: [Matthew Taylor outlines plan to balance flexibility and fairness in world of work, telegraph.co.uk, 12 June 2017](#).

Tax-free Childcare Scheme

The Government has now launched a website to provide further information on this new scheme.

<https://www.childcarechoices.gov.uk/>

Tribunal Fees

The Supreme court have declared that Tribunal fees are unlawful and all future claims will not require fees to be paid. It has also said that any fees required to be paid in the past – will be reimbursed.

<http://www.bbc.co.uk/news/uk-40727400>