

# #117 HR Newsletter

## March 2018

### Childcare Tax-free Scheme

From January 2018 the new Government Tax-free Childcare Scheme (where parents can obtain tax back for childcare costs) is available for parents with children under the age of 9 and, from 14<sup>th</sup> Feb 2018, the remaining eligible families (with children under 12) can now apply (this will allow applications still in this Financial Year).

Here is the link to the Government website detailing all the childcare options - There are a number of different options available.

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

### Employment Status: On-line Tool for Checking

The government is consulting on the application of a new tool (on-line software programme) that would allow employers to run a test and answer the long standing question for new employees:

“is this person an employee or a casual worker?”

It may be broader and include the self-employed (freelance) roles too. This is in response to the Taylor Report recommending changes to how employers deal with the changing employment practices in the “Gig” Economy.

This tool should help standardise the approach for businesses that have freelance staff in a variety of roles and often have to define their “correct” employment status.

### Itemised Payslips for Casual Workers

In a further response to the Taylor report, the Government has announced that it will make it a statutory requirement to provide itemised payslips for casual workers from 6<sup>th</sup> April 2019, which gives Companies 12 months for to prepare.

The change will be so that hourly rates of pay must be shown in addition to the number of hours worked so that casual workers can be confident that are receiving the correct pay (and specifically the correct National Minimum Wage for the job).

There have been a number of cases recently where the payslip has been very vague, for example stating “1 day = £80” without any reference to actual hours worked and hence no ability to check NMW rules are correct.

## PILON

From 6<sup>th</sup> April 2018 **ANY** notice payment made to staff for exiting the company **MUST** be taxed and subject to National Insurance deductions as per normal salary.

Up to that date the current rules apply, which are: if there is no clause in the contract to allow for pay in lieu of notice then notice pay can be made tax free.

## NMW

A reminder that the National Minimum Wage Rates applicable from 1<sup>st</sup> April 2018 will be as follows:

<b>Category</b>	<b>April 2017</b>	<b>April 2018</b>
Living Wage Premium for workers aged 25 or over	£7.50	£7.83
Main (adult) rate for workers aged 21 and over:	£7.05	£7.38
Development rate for workers aged 18-20 inclusive:	£5.60	£5.90
Rate for 16 and 17 year olds:	£4.05	£4.20
Apprentices not otherwise covered by the NMW	£3.50	£3.70