

# #77 HR Newsletter

## January 2016

**There will be a number of employment law changes in 2016 as a result of reforms made by the first Conservative Government in nearly 20 years. Consequently employers will be faced with some controversial decisions affecting a number of HR areas.**

The introduction of the national living wage sees a major change to minimum pay levels; this will be a big issue for many employers as they consider how to introduce it. For the first time, large employers (>250 staff) will also be required to publish details of their gender pay gap.

### 1. Gender pay reporting begins

Large employers will be obliged to publish information about their gender pay gaps.

We know that regulations must be introduced by 26 March 2016 that will make it compulsory for organisations with 250 or more employees to publish information about the difference in pay between men and women. This will need to include details of the gap in bonus payments. However, further details of what this means for employers are yet to be disclosed, including the particulars that they will need to provide and where the information should be published.

### 2. National living wage introduced

A significant change for the lowest-paid workers is the introduction of the national living wage on 1 April 2016.

For the first time, employers will need to pay staff **aged 25 and over** the national living wage, which will work as a new top rate of the national minimum wage. For those aged under 25, lower national minimum wage rates will apply. The national living wage is initially set at £7.20 per hour, but is due to rise during the life of this government to £9.00 per hour.

The national living wage is separate to the living wage, a recommended rate based on the cost of living, used by the Living Wage Foundation. Another change concerning minimum pay is the doubling of the penalty for failure to pay staff the national minimum.

### 3. Statutory parental pay rates and sick pay frozen

Statutory rates (current rates are):

Maternity, Paternity, Adoption pay	£139.58 per week
Statutory Sick pay	£88.45 per week or £17.69 per day

The Government has proposed that the annual increase in the weekly rate of statutory maternity pay, statutory paternity pay, statutory adoption pay and statutory shared parental pay will not happen in 2016.

The rates normally increase every year, but a fall in the consumer prices index has meant no uplift for 2016/17. Statutory sick pay will also remain the same.

#### 4. Trade union law amended

The Trade Union Bill reforms the law applying to trade unions, including placing more stringent requirements on trade unions before they take industrial action.

The measures include:

- increasing the voting threshold to 50%;
- introducing a requirement that 40% of all those entitled to vote in the ballot vote in favour of industrial action in important public services;
- setting a four-month time limit for industrial action after the ballot;
- increasing the amount of notice to be given to an employer of strike action.

This will be seen by many as assisting businesses who will see most strike action as being unnecessary – but will also be seen by many others as infringing the basic rights of the working person to go on strike..... this one will get a great deal of press coverage.

#### 5. Workers can seek redress where employer ignores ban on exclusivity clauses

Exclusivity clauses in zero-hours contracts were prohibited in 2015. New regulations that apply from 11 January 2016 aimed at addressing avoidance of the ban, give employees the power to make a complaint to an employment tribunal where they have been dismissed or subjected to a detriment following breach of an exclusivity clause.

#### 6. New rules to protect apprenticeships

The Government bans organisations from using the term “apprenticeship” where it is applied to describe a scheme that is not a statutory apprenticeship, for example in a job advert.

This is where an employer provides their own internal training and labels it an “apprenticeship”. If an employer follows the normal process: has an apprentice working to gain an external recognised qualification (e.g. NVQ2) and provide day release to attend a college (or training provider) that that can still be termed an apprenticeship.

#### 7. Updated laws on employing foreign workers

The Immigration Bill makes various changes to the law applying to foreign workers, including: creating an offence of illegal working; requiring all public-facing public-sector employees to speak English fluently; and introducing an immigration skills charge for employers that use foreign workers.

#### 8. Caste discrimination

2016 will likely (and finally) see the introduction of caste discrimination as a new “protected characteristic” in terms of the Equality Act. This will mean it is illegal to discriminate on a person's **caste** (one of a number of social levels/associations in Indian society/culture – but also found in Nepal, Yemen, Pakistan, Sri Lanka).