

Taylor report summary

14 Feb 2018

A summary of recommended actions and the associated government responses (and proposed actions)

Note: a “**worker**” is the correct name in the law for staff engaged on zero-hour contracts (or contracts that do not guarantee any fixed hours of work.

	Taylor recommendation	Government proposed action – next steps
1	Employment status <ul style="list-style-type: none">- the definition of “worker” needs to be clearer and better defined- less emphasis on “personal service” and more focus on the control in the relationship between the Employer and worker	Gov says: It does want to take action but still wants to balance the flexibility in workforce planning that companies enjoy using workers and does not want to stifle economic flexibility or the ability of workers to “dip in and out” of work It will start a consultation on this topic
2	On-line employment status tool <ul style="list-style-type: none">- The government should make an on-line tool available for employers and employees/workers to check their employment status	Gov says: It will make such a tool available (similar to the IR35 tool currently in use)
3	Written contract (Written statement of T&C) <ul style="list-style-type: none">- It should be a statutory requirement for employers to provide a written statement of T&C (like a contract of employment) for all staff including workers	Gov says: It plans to extend the ERA sec 1 requirements to include workers (currently only applies to employees) It will also introduce a “right to request” a more secure contract for workers on zero hours contracts to ask for more stable and predictable hours
4	Payslips <ul style="list-style-type: none">- Payslips should be provided for all staff (incl. workers)	Gov says: Following a report from the Low Pay commission the Gov will introduce legislation that requires all staff (incl. workers) to receive a payslip such that they can check accurately their pay and hours

<p>5</p>	<p>Determining employment status</p> <ul style="list-style-type: none"> - The government should create a tribunal/court or equivalent to listen to and determine such disputed cases - The burden of proof will be on the Employer to show they have engaged the worker on the correct employment status 	<p>Gov says:</p> <p>Its not convinced that fast-track hearings and reversal of the burden of proof is appropriate in this case</p>
<p>6</p>	<p>Enforcing employment rights</p> <ul style="list-style-type: none"> - The government should “name and shame” employers who do not comply with payments to be made following a successful worker’s claim in an Employment tribunal (as 60% of employers are not making the correct payments) 	<p>Gov says:</p> <p>It does plan to “name and shame” employers who do not pay fines</p> <p>It also plans to allow workers to receive holiday pay and sick pay</p>
<p>7</p>	<p>Gig economy and National Minimum Wage</p> <ul style="list-style-type: none"> - The government (HMRC – who “police” the NMW) need to better define how this will apply to workers who engage via a digital platforms for rostering/engagement (e.g. Uber drivers, Deliveroo, etc) 	<p>Gov says:</p> <p>The government will seek to address the challenge of defining what constitutes working time for those working in the gig economy who are entitled to the NMW.</p> <p>It will consult on how the definitions of working time can and should apply to platform working. This consultation has been combined with the consultation on employment status</p>
<p>8</p>	<p>Higher rate of NMW for zero-hours contracts.</p> <ul style="list-style-type: none"> - Genuine zero hours workers should receive (say) a 10% higher base rate than fixed hours workers in return for their flexibility - If they have been in post for 12 months they should have a right to request a secure hours contract - Larger employers (e.g. > 250 staff) should report the number of zero-hours contract that they engage staff under 	<p>Gov says:</p> <p>It will ask the Low Pay commission about their views on the 10% uplift in return for flexibility</p> <p>It also says it does want to introduce the right to request a more “predictable and secure“ contract for all workers – not just for those > 12 months service</p>

<p>9</p>	<p>Internships</p> <ul style="list-style-type: none"> - The report recommended that there should not be a “special” status for interns – but needs better definition of when they fall under the definition of a “worker” as opposed to an unpaid person gaining experience by work shadowing 	<p>Gov says:</p> <p>The government will promote more high quality, paid internships, introduce new guidance and increase targeted enforcement activity to help stamp out "illegal and exploitative" unpaid internships. Interns who are classed as workers must be paid a minimum of the NMW or NLW</p>
<p>10</p>	<p>Continuity of employment for workers</p> <ul style="list-style-type: none"> - Currently the continuity of service is broken if there is a break of a week – this is recommended to increase to a month 	<p>Gov says:</p> <p>It does want to increase the length of break to a month but plans to consult on the details</p>
<p>11</p>	<p>Calculation of holiday pay</p> <ul style="list-style-type: none"> - Currently workers are subject to the rule that their holiday pay is calculated in their previous 12 weeks actual (total) earnings - The recommendation is that this reference period is increased to 52 weeks - Also, the worker should have the choice over receiving holidays as either: “rolled up / pay-as-you-go” or accrued onto a holiday balance card and taken like a normal contracted employee. 	<p>Gov says:</p> <p>It will increase the reference period to 52 weeks</p> <p>It is not planning at present to allow workers to choose the method on how they are paid holiday</p>
<p>12</p>	<p>Statutory sick pay</p> <ul style="list-style-type: none"> - Currently this only applies to employees (not workers) - Taylor recommends that this right is extended to all workers 	<p>Gov says:</p> <p>It is considering whether or not to extend this right to workers and will consult on the matter before deciding</p>
<p>13</p>	<p>Agency workers</p> <ul style="list-style-type: none"> - Taylor recommends that the current UK exemptions to the Agency workers directive be repealed 	<p>Gov says:</p> <p>It will increase pay transparency for agency workers</p> <p>But it wants to consult carefully before repealing any UK opt outs (“the Swedish derogation”)</p>

	<ul style="list-style-type: none"> - In addition, that should be entitled to request a permanent contract after 12 months 	
14	<p>Use of umbrella companies</p> <ul style="list-style-type: none"> - Taylor recommends that the use of umbrella companies should be made much more transparent, so all workers/employees are clear who is actually paying them 	<p>Gov says:</p> <p>It is appointing a Director of Labour Market Enforcement and part of their remit is to examine new and modern labour supply chains, intermediaries and employer behaviour</p>
15	<p>Improving information and consultation</p> <ul style="list-style-type: none"> - Taylor recommends improving the effectiveness of the information and consultation legislation (2004 Regs.) 	<p>Gov says:</p> <p>It will consult with all interested parties to review the current legislation and its effectiveness</p>
16	<p>NI contributions and pensions for self employed</p> <ul style="list-style-type: none"> - Taylor recommends that Self-employed NI contributions be increased to the same level of employees and in turn they receive the Basic State Pension - Make autoenrollment available for self-employed 	<p>Gov says:</p> <p>Says it does not plan to increase the self-employed NI rate. But does recognise the changing landscape in this area</p> <p>It does not plan to extend auto-enrolment to self employed as there is no employer in this case to make the employer contribution</p>
17	<p>Apprenticeship levy</p> <ul style="list-style-type: none"> - The Gov. should look at how the apprenticeship scheme can work for atypical workers 	<p>Gov says:</p> <p>It is committed to look at this area</p>
18	<p>Flexible working</p> <ul style="list-style-type: none"> - Taylor recommend that the Gov. should look at how to genuinely make flexible working part of the UK employment culture and to re-examine the current legislation (the right to request flexible working) 	<p>Gov says:</p> <p>It is reviewing the Right to request flexible working legislation on 2019 – to make it more effective and promote less represented groups to figure more in the workplace</p>
19	<p>Pregnancy and maternity rights</p> <ul style="list-style-type: none"> - The Gov. should re-examine the legislation to ensure that women are adequately protected during maternity 	<p>Gov says:</p> <p>it will keep the maternity and pregnancy rights under review during 2018</p>