



## January 2019 Employment Law Bulletin

Happy New Year and welcome to mfg's first Employment Law Bulletin for 2019!

Chances are you have prepared your business financially for the year ahead, but have you prepared your business for any employment law changes?

In our first Employment Law Bulletin for 2019, we explain what your organisation needs to contemplate going into 2019, look at what is in the pipeline for 2019 and consider the impact of recent employment law developments for your business.

### Brexit

Regardless of how the UK leaves the EU, it is unlikely there will be any changes to employment law which is derived from EU law.

However there may be a number of direct and indirect impacts from Brexit which could cause employment law implications for employers, especially if the situation is not handled appropriately. For example, there may be business restructures, reorganisations and expansions, together with voluntary redundancies, relocations or the requirement to revise existing terms and conditions contained within Contracts of Employment, such as an individual's hours of work and remuneration.

Is it therefore paramount that whatever decision any decision is implemented lawfully and in a reasonable manner, otherwise your business could be exposed to a tribunal or in other claims.

### Employment Tribunal

Following the abolition of tribunal fees in 2017, we have seen a steep rise in the number of tribunal claims. Statistics from the Ministry of Justice in September 2018 showed that the number of single claims between April and June 2018 increased by 165% compared with the same period in 2017.

The statistics also showed that disability discrimination cases had the largest average award at £30,700, with the average award for unfair dismissal awards being £15,007.

Towards the end of 2018, the Ministry of Justice signalled that it was considering the possibility of introducing a new tribunal fee system. We are expecting further details about this throughout 2019, as the Government themselves admit they have to the fee level right. However, we do not expect the new system to be introduced any time soon.

## **Gig Economy**

At the end of 2018, the Government published their response to the Taylor Review, which contained a number of proposals for the gig economy. However no further concrete steps are likely to be taken immediately, and therefore there remains a number of high profile claims about employment status in 2019.

As tribunal claims about employment status depend on the facts, employers should follow best practice when recruiting members of staff in the gig economy, ensuring contractual documentation for employees, workers and self-employed contractors reflect the reality of the working relationship. Failure to correctly identify a worker or employee could be costly.

## **Itemised Payslips**

Employees already have the right to an itemised payslip. However, from 6<sup>th</sup> April 2019, this right will be extended to workers. Therefore a payslip for a worker will need to confirm their gross and net salary, which if dependent on the number of hours they work, will need to be stated on the payslip as well.

## **Annual Increases to Statutory Rates**

The National Minimum/Living Wage hourly rates will increase in April 2019 to the following:

- Apprentices - £3.90
- 16-17 year olds - £4.35
- 18-20 year olds - £6.15
- 21-24 year olds - £7.70
- Those aged 25 and over - £8.21

In addition, the weekly statutory rates for statutory maternity, paternity and adoption pay will also increase to £148.68, as will the rate of statutory sick pay to £94.25.

## **Gender and Race Pay Gap Reports**

2018 saw the introduction of gender pay gap reporting, with many organisations unsurprisingly disclosing that they have a gender pay gap, the average being approximately 18%.

Businesses with at least 250 employees will be required to publish their gender pay gap reports by 5<sup>th</sup> April 2019. Although businesses are not required to explain the reason for their gender pay gap, it will be interesting to see whether businesses have taken appropriate action to reduce their gender pay gap. No doubt many campaigners will be ready to highlight any significant issues when comparing 2019's figures to the ones from 2018.

In addition, the Government have also alluded to the possibility of introducing a similar system for race pay gap reporting, and we expect further details about this proposal later this year.

### **Parental Bereavement Leave**

It has been confirmed by the Government that bereaved parents will have the right to take two weeks of paid time off work for employees who have lost a child under the age of 18.

The right to bereavement leave is expected to commence in April 2020, although further details about the right will be published during the year, such as how much remuneration will be payable during the leave.

Employers should therefore take the opportunity to review their existing bereavement and compassionate leave policies in readiness for the upcoming changes.

### **Contact us**

The Employment and HR Services team at mfg are specialists with a significant amount of experience assisting clients with their employment and HR issues.

We offer a premium service to our clients, ensuring that our advice to businesses is commercial, practical and relevant to their individual requirements. If you have any employment or HR issues, we would be more than happy to have a chat with you to understand your needs and circumstances.

If you have any questions, please do not hesitate to get in touch with Sally Morris at [sally.morris@mfgsolicitors.com](mailto:sally.morris@mfgsolicitors.com) or on 01905 610410.

