



110 Butterfield, Great Marlings
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The contract is the most important HR document you'll have in your business and it should be kept up to date with changes to salary and working hours, plus any changes to employment law.

The biggest problem we often find is that many businesses don't have contracts. We advise all employers to issue employees with a contract.

At the very least you are legally required to provide all members of staff with a written statement of the terms and conditions of their employment within 60 days of starting employment. By setting out what is expected from both the employee and the employer in writing, this can prevent misunderstandings in the future and make managing employees much easier.

Plus, having an up-to-date written set of terms will become essential should matters ever come to a head.

Note: *Changes to employment law come into force in April and October every year, so you need to make sure your contracts are updated.*

What To Expect In Employment Law In 2017

Employment laws continue to develop and set out below is a summary of the changes you can expect in 2017.

National Minimum Wage And The National Living Wage

Starting in April 2017 future changes to the hourly rate of the National Minimum Wage and the National Living Wage will take place at the same time in April each year.

It is important to note that these rates, which came into force 1 October 2016, apply to pay reference periods beginning on or after that date.

The rates from 1 October 2016 are:

- £7.20 per hour - 25 years old and over



- £6.95 per hour - 21-24 years old
- £5.55 per hour - 18-20 years old
- £4.00 per hour - 16-17 years old
- £3.40 per hour - For apprentices under 19 or 19 or over who are in the first year of apprenticeship.

The rates from 1 April 2017 will be:

- £7.50 per hour - 25 years old and over
- £7.05 per hour - 21-24 years old
- £5.60 per hour - 18-20 years old
- £4.05 per hour - 16-17 years old
- £3.50 per hour - For apprentices under 19 or 19 or over who are in the first year of apprenticeship.

Gender Pay Gap Reporting

Employers' duties under gender pay gap reporting will commence on 5 April 2017. The reporting requirements will apply to employers with 250 or more employees in the private and voluntary sectors.

Income Tax Allowances And Thresholds

On 6 April 2017 the personal income tax allowance will rise to £11,500 and the higher rate of tax threshold will rise to £45,000.

National Insurance Contributions

The lower earnings limit for national insurance contributions will increase on 6 April 2017 to £113 per week.

Auto Enrolment

The automatic enrolment earnings trigger for 2017/18 will remain fixed at £10,000. The qualifying earnings band will be between £5,876 and £45,000.



Statutory Sick Pay, Statutory Maternity Pay, Statutory Paternity Pay, Statutory Shared Parental Pay and Shared Adoption Pay

The Government plans to increase statutory sick, maternity, paternity, shared parental and adoption pay from 2 April 2017 as follows:

- Statutory Sick Pay (SSP) - £89.35
- Statutory Maternity Pay – (SMP) and (Maternity Allowance) - £140.98
- Statutory Paternity Pay (SPP) - £140.98
- Statutory Shared Parental Pay (ShPP) - £140.98
- Statutory Adoption Pay (SAP) - £140.98

Apprenticeship Levy

On 6 April 2017 an apprentice levy is to be introduced. Large employers (those who have an annual wage bill of more than £3 million) will have to pay a levy of 0.5% of their wage bill to fund apprenticeships.

Illegal Working Compliance Orders Regulations 2016

On 1 December the Illegal Working Compliance Orders Regulations 2016 came into force.

The Regulations introduce new powers to deal with businesses that repeatedly flout the law by employing illegal workers. The intention is that the new powers will be used in the most serious cases, where previous civil or criminal sanctions have failed to change employer behaviour.

The Regulations give immigration officers the power to close premises for up to 48 hours where an employer (or a connected person) has previously committed criminal or civil immigration offences or has failed to pay an immigration penalty, and that employer is again found to be employing a person without the right to work in the UK.

Once a closure notice has been issued, an application will be made to the court for an illegal working compliance order, unless the closure notice is cancelled.

The compliance order may extend the period of prohibited or restricted access to the premises or make any order the court considers appropriate to prevent the employer operating at the premises from employing an illegal worker. This could include ordering the business to perform right to work checks to ensure that illegal workers are not employed, requiring the employer to produce evidence of right to work documentation to immigration officers at such places and times as may be specified, or permitting immigration officers to enter the premises to ensure the employer is complying with illegal working rules.



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Language Requirements Code Of Practice In Force

A statutory Code of Practice on the language requirements for public sector workers in customer-facing roles came into force on 22 December.

On 21 November a requirement that workers in the public sector in customer-facing roles speak fluent English and/or Welsh for public authorities in Wales, was introduced.

The requirement applies to public authorities in England and to public authorities in Wales, Scotland and Northern Ireland exercising functions relating to non-devolved matters. The language requirement also applies to agency workers where the public sector body is the hirer.

In determining how to comply with the duty, public authorities are required to have regard to the Code of Practice on the language requirements.

Reference: Code of Practice (English Language Requirements for Public Sector Workers) Regulations 2016

Whistleblowing: Legal Obligation Needs To Be Identified Where Breach Alleged

The Employment Appeal Tribunal has held that where it is alleged that there has been a breach of a legal obligation it is necessary to identify the source of the legal obligation.

The identification of the legal obligation does not need to be detailed or precise but it has to be more than a belief that certain actions were wrong. Employers should take specific legal advice in relation to any incidents which may amount to whistleblowing.

Employer Was Not Vicariously Liable For Assault

The High Court has ruled that an employer was not vicariously liable for a violent assault by its managing director on an employee at an impromptu drinking session after its Christmas party. This was because it was an 'impromptu drink' which was not itself a part of the work Christmas party (despite the expectation that some or all of the bill would be met by the company), and because the mere fact that the assault had followed a discussion of work matters did not mean that it was necessarily 'in the course of employment'. The Court said that the incident had arisen in the context of 'entirely voluntary and personal choices' by those present to engage in a heavy drinking session.

Employers may be able to escape liability in such circumstances but it will depend on the facts of a particular case. It is difficult to reconcile this case with a recent Supreme Court decision which appeared to suggest a broader application of the 'close connection' test to incidents of assault by an employee.

Employers should exercise caution as this decision does not change the law, nor does it establish that post-Christmas party drinks are outside the scope of employment for vicarious liability purposes.



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Tax-Free Childcare Scheme Comes Into Force

Implementation date: Early 2017

The Spending review and autumn statement 2015 confirmed that in families where both parents work and each parent earns less than £100,000 per year and a minimum weekly income equivalent to 16 hours at the rate of the national living wage, the Government will pay 20% of their yearly childcare costs (up to £2,000 for each child, or £4,000 if the child is disabled). The scheme applies to parents with children under 12 (or under 17 if the child is disabled). The scheme was due to launch in 2015, but this has been put back to 2017. The scheme will be operated through online accounts and no involvement of employers is required.



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