

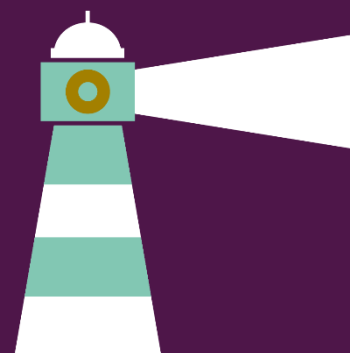
In the Pipeline for 2020

A Guide to Future Employment for the year ahead

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January 2020



EMPLOYMENT

Legislation

Date	Topic	Practical Impact
6 April 2020	Information and Consultation	<ul style="list-style-type: none"> Currently, employers (with 50 or more employees) are required to set up a national works council for informing and consulting employees, if at least 10% of employees request this (subject to a minimum of 15 employees). This threshold is to be reduced to 2% from 6 April 2020.
6 April 2020	Employment terms	<ul style="list-style-type: none"> From 6 April 2020, employers will be required to provide a written statement of terms and conditions for all workers (eg casuals, freelancers and some contractors and consultants), not just employees. The statement will also need to be provided on or before the first day of work. Currently, a statement of terms only needs to be provided to employees (and not workers) and within two months of employment starting (rather than by day one). In addition, there are also some changes to the particulars required (eg the statement will need to contain details of any terms and conditions relating to benefits, training requirements and paid leave other than just holiday and sick leave). Employers should therefore review their template employment contracts before April 2020 to ensure any necessary changes are made.
6 April 2020	Holiday Pay	<ul style="list-style-type: none"> Currently holiday pay for workers with variable hours or pay is calculated by taking an average of pay over the previous 12 weeks. This lookback period will be increased to 52 weeks, from 6 April 2020.
6 April 2020	Agency Workers	<ul style="list-style-type: none"> Agency workers have the right to receive the same pay as comparable permanent employees after 12 weeks. There is an exception to this right, known as the "Swedish derogation", where the agency worker's contract provides for minimum pay between

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		<p>assignments. The "Swedish derogation" will be abolished from 6 April 2020.</p> <ul style="list-style-type: none"> Also from 6 April 2020, agencies will be required to provide agency workers with a Key Information Document detailing the type of contract and minimum pay rates.
6 April 2020	National Insurance Contributions and Termination Payments	<ul style="list-style-type: none"> Where an ex gratia termination payment is made (on top of notice pay) the first £30,000 can be paid free of income tax and any amount above this is taxable. However, the entire ex gratia payment is exempt from National Insurance Contributions (NICs). From 6 April 2020, the first £30,000 of any ex gratia termination payment will still be payable free of income tax and NICs, but any amount above this will be subject not just to income tax but to employer NICs as well.
6 April 2020	Tax and Contractors	<ul style="list-style-type: none"> The Government is extending rules on taxing contractors, which already apply in the public sector, to the private sector. The so-called "off-payroll working rules" were introduced in the public sector in April 2017. Under the rules, where an individual contractor or consultant supplies their services to a public sector client via a personal services company, the client must decide whether the "IR35 legislation" applies. This broadly involves the client asking whether, without the personal services company, the individual would be regarded as an employee of the client for tax purposes. If so, the client (or the body responsible for paying the contractor's company) must deduct income tax and national insurance contributions from payments to the contractor's company. The rules are designed to ensure that those who work through a personal services company, who would be employees if they were engaged directly, pay broadly the same tax as employees. The extension of the rules to the private sector is due to take effect on 6 April 2020.
April 2020	National Minimum Wage and National Living Wage	<ul style="list-style-type: none"> The hourly rates of the national living wage (which applies to workers aged 25 or over) and national minimum wage usually increase every April. The current hourly rates are: <ul style="list-style-type: none"> £8.21 (for workers aged 25 or over) £7.70 (for workers aged 21 to 24) £6.15 (for workers aged 18 to 20) £4.35 (for workers aged under 18)

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		<ul style="list-style-type: none"> – £3.90 (for apprentices)
April 2020	Unfair Dismissal and Statutory Redundancy Pay	<ul style="list-style-type: none"> • The maximum compensatory award for unfair dismissal and the maximum amount of a week's pay (for calculating the unfair dismissal basic award and statutory redundancy pay) increase every April in line with RPI. Currently the maximum compensatory award is the lower of £86,444 and a year's pay, and the maximum amount of a week's pay is £525.
April 2020	Statutory Sick Pay	<ul style="list-style-type: none"> • The weekly rate of statutory sick pay increases in April each year. The current rate is £94.25 per week.
April 2020	Statutory Maternity, Paternity, Adoption and Shared Parental Pay	<ul style="list-style-type: none"> • The weekly rates of statutory maternity, paternity, adoption and shared parental pay increase in April each year. The current rate is £148.68 per week.
2020	Parental Bereavement Leave	<ul style="list-style-type: none"> • Parents who lose a child under the age of 18 will be entitled to two weeks' statutory leave (paid if the employee has 26 weeks' service). This new law is expected to come into force in 2020.

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