

## Employment legislation tracker - March 2017

*Our employment law tracker highlights recent and forthcoming legislative changes.*

Up to date at March 2017

Law/change	Key points	Implementation date
<b>Immigration Act 2016</b>	The Immigration Act 2016 curbs illegal working and aims to prevent the exploitation of migrant workers by strengthening enforcement, imposing tougher sanctions on employers and making it a criminal offence to work illegally.	12 May 2016
<b>Gender pay gap reporting in the private/voluntary sector</b>	Employers with over 250 employees must publish details of their gender pay gap (and bonus pay gap) on their website. Employers must calculate their gender pay gap using data from the pay period in which 5 April 2017 falls. The gender pay information must be published on the employer's website by April 2018.	Gender 'snapshot' date is 5 April 2017. First gender pay reports must be published by April 2018
<b>Gender pay gap reporting in the public sector</b>	The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 extend the duty to publish annual gender pay gap reports to public sector employers with over 250 employees.	Gender 'snapshot' date is 31 March 2017. First gender pay reports must be published by 31 March 2018
<b>Immigration Skills Charge</b>	A charge of £1,000 per employee per year that will be levied on employers that employ migrant workers in skilled areas. There will be a reduced rate for small or charitable organisations and some exemptions for PhD-level jobs and international students switching from student to working visas.	April 2017
<b>National Minimum Wage</b>	The NMW hourly rates which will come into effect from 1 April 2017 are as follows: <ul style="list-style-type: none"> <li>• National living wage (NLW) rate for workers aged 25 and over: £7.50.</li> <li>• The standard adult rate for workers aged 21 and above: £7.05.</li> <li>• The development rate (for workers aged 18 to 20): up 4.7% to £5.60.</li> <li>• The young workers rate for young workers aged 16-17: £4.05.</li> <li>• The apprenticeship rate: £3.50.</li> </ul>	1 April 2017
<b>Tribunal compensation limits</b>	Tribunal compensation limits will increase on 6 April 2017. The maximum compensatory award for unfair dismissal will rise from £78,962 to £80,541. The maximum amount of a week's pay, used to calculate statutory	6 April 2017

	<p>redundancy payments and various awards including the basic and additional awards for unfair dismissal, also rises from £479 to £489.</p>	
<b>Apprenticeship Levy</b>	<p>The Apprenticeship Levy was introduced by sections 98 to 121 of the Finance Act 2016 and will be payable by employers through PAYE, alongside income tax and NICs with effect from 6 April 2017.</p> <p>The Levy is 0.5% of paybill and applies to employers with an annual paybill of £3m or over.</p>	6 April 2017
<b>Off-payroll working in the public sector – IR35 reforms</b>	<p>From April 2017, changes to the way the current IR35 rules are applied to ‘off-payroll’ working in the public sector will mean that the fee-payer (public authority) will be responsible for deducting PAYE and NICs for many independent contractors and personal service companies.</p>	6 April 2017
<b>Childcare payments</b>	<p>The Childcare Payments Act 2014 will introduce a new tax-free childcare scheme to support eligible parents with childcare costs.</p>	Scheme scheduled to commence in early 2017
<b>Increase in free childcare for pre-school children</b>	<p>The Childcare Bill 2015-16 increases free childcare to 30 hours for 38 weeks of each year, for qualifying children of working parents in England who are under compulsory school age.</p>	Due to be rolled out nationally by September 2017
<b>Public sector exit payment recovery Regulations</b>	<p>The Government’s public consultation on draft regulations allowing the recovery of exit payments made to public sector employees who return to work in the public sector closed on 25 January 2016. It is proposed that the exit payment recovery would apply to individuals earning £80,000+ who return to work in any part of the public sector.</p>	Implementation date yet to be announced
<b>Cap on public sector exit payments (Enterprise Act 2016)</b>	<p>Termination payments made to most public sector workers to be subject to a £95,000 cap on total aggregate value (including payments in lieu of notice).</p>	Implementation date yet to be announced
<b>Caste discrimination</b>	<p>The Equality Act 2010 will be amended to specifically outlaw ‘caste’ discrimination. In September 2016, the Government announced that there will be a public consultation before this amendment is implemented.</p>	Public consultation yet to be announced
<b>Taxation of termination payments</b>	<p>In August 2016, the Government confirmed its plans to: a) retain the current £30,000 tax and NI exemption, b) remove the distinction between contractual and non-contractual</p>	Legislation is expected to take effect from April 2018

	payments (making all payments made in connection with the termination of employment subject to income tax and NICs) and c) align the income tax and NICs treatment of termination payments by making employer's NI contributions payable on termination payments over £30,000 that are already subject to income tax.	
<b>EU General Data Protection Regulation (GDPR)</b>	The GDPR will replace the Data Protection Directive 1995 from 2018. It will introduce a more prescriptive framework with tighter controls on records and data processing. It will also introduce higher penalties on the level of fines that Supervisory Authorities can impose. The changes are significant so, despite the long lead up time, businesses should begin preparing now.	25 May 2018
<b>Shared parental leave for grandparents</b>	Grandparents will be entitled to shared parental leave and pay in certain circumstances	Anticipated during 2018
<b>State pension</b>	State pension age for both men and women will rise to age 66	October 2020

If you would like any further information about any of the changes listed above please contact Andrew Rayment or David Smedley on [andrew.rayment@walkermorris.co.uk](mailto:andrew.rayment@walkermorris.co.uk) or [david.smedley@walkermorris.co.uk](mailto:david.smedley@walkermorris.co.uk)

This tracker is up to date as at **March 2017**

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