

Employment legislation tracker - May 2019

Our employment law tracker highlights recent and forthcoming legislative changes.

Up to date at May 2019

Law/change	Key points	Implementation date
Gender pay gap reporting in the private/voluntary sector	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 falls. The gender pay information must be published on the employer's website by the following April.	Last gender 'snapshot' date was 5 April 2019. Next gender pay reports must be published by April 2020.
Corporate Governance/reporting changes	The Companies (Miscellaneous Reporting) Regulations 2018 amend the reporting requirements for some companies, introduce mandatory reporting on employee and stakeholder engagement and information on the ratios between CEO and average staff pay. They also require large private and public companies to include in their strategic report a statement explaining how the directors have had regard to the matters in section 172(1)(a) to (f) of the Companies Act 2006 when performing their duty to promote the success of the company.	Takes effect for financial years beginning on or after 1 January 2019 (first pay ratio reports to be published in 2020)
National Insurance Contributions	The National Insurance Contributions Bill, introduced some key changes to National Insurance Contributions (NICs) including that NICs must be paid on termination payments over £30,000.	1 April 2019
NMW rates	The NMW hourly rates which came into effect from 1 April 2019 are as follows: <ul style="list-style-type: none"> • National living wage (NLW) rate for workers aged 25 and over: £8.21. • The standard adult rate for workers aged 21 and above: £7.70. • The development rate (for workers aged 18 to 20): £6.15. • The young workers rate for young workers aged 16-17: £4.35. • The apprenticeship rate: £3.90. 	1 April 2019
Itemised payslips	Employers are required to show the number of hours worked on payslips where the worker's pay varies. Itemised payslips are now required to be issued to all workers, not just employees.	6 April 2019
Aggravated damages	The maximum level of penalty an employment tribunal may order in respect of an employer's aggravated breach of employment law increased from £5,000 to £20,000 for breaches of workers' rights that take place on or after 6 April 2019.	6 April 2019

Written statement of terms and holiday pay	<p>The Employment Rights (Employment Particulars and Paid Annual Leave) (Amendment) Regulations 2018 (SI 2018/1378) amend the Employment Rights Act 1996 to require that a written statement of terms must be provided on the first day of employment, rather than within the first two months. They also add to the information that must be provided.</p> <p>They also amend the Working Time Regulations 1998 to increase the reference period for determining an average week's pay (for the purposes of calculating statutory holiday pay) from 12 weeks to 52 weeks. This will protect workers with no normal working hours whose pay fluctuates.</p> <p>The Employment Rights (Miscellaneous Amendments) Regulations 2019 (SI 2019/731) extend the right to a written statement of terms to all workers from 6 April 2020.</p>	6 April 2020
Off-payroll working in the private sector – IR35 reforms	<p>From April 2020, changes to the way the current IR35 rules are applied to 'off-payroll' working in the private sector will mean that the end-user will be responsible for determining the tax status of contractors/freelancers who work through an intermediary and deducting PAYE and NICs where applicable. Companies that regularly use contractors are likely to be affected by the proposed changes.</p>	6 April 2020
The Parental Bereavement (Leave and Pay) Act 2018	<p>All employed parents will have a day-one right to two weeks' leave if they lose a child under the age of 18 or suffer a stillbirth from 24 weeks of pregnancy.</p>	6 April 2020
The Employment Rights (Miscellaneous Amendments) Regulations 2019	<p>The Employment Rights (Miscellaneous Amendments) Regulations 2019 lower the threshold required for a request to set up information and consultation arrangements from 10% to 2% of employees, subject to the existing minimum of 15 employees.</p>	6 April 2020
Agency workers	<p>The draft Agency Workers (Amendment) Regulations 2019 will remove the 'Swedish derogation' from the Agency Workers Regulations 2010 to give agency workers a right to pay parity with direct employees after 12 weeks.</p>	6 April 2020
Cap on public sector exit payments	<p>The government has begun a consultation, which will continue until 3 July 2019, on draft regulations and guidance to implement its plan to impose a cap of £95,000 on public sector exit payments. Subject to certain exceptions, the proposed exit payments that will be subject to the cap include redundancy payments, severance payments, ex gratia payments, payments to reduce or eliminate an actuarial reduction to a pension on early retirement, payments in lieu of notice that exceed one quarter of the employee's annual salary or any other payment made in consequence of termination of employment.</p>	Implementation date yet to be announced
Ethnicity pay gap reporting	<p>In October 2018, the government launched a consultation on mandatory ethnicity pay gap reporting which closed in January 2019. The government's response to the consultation is now</p>	Awaiting Government's response to consultation

<p>New statutory code of practice on sexual harassment</p>	<p>awaited but it is thought that it would take effect in much the same way as gender pay gap reporting.</p> <p>Following various reports and inquiries into sexual harassment in the workplace, the government has announced 12 broad action points. These include a new statutory code of practice on sexual harassment to be developed. The government will also be consulting on a mandatory duty to protect workers from sexual harassment; how best to tackle third-party harassment; protection of interns and volunteers; the possible extension of time limits in sexual harassment claims and the better regulation of non-disclosure agreements.</p>	<p>To be confirmed</p>
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If you would like any further information about any of the changes listed above please contact David Smedley, Andrew Rayment or Shakeel Dad on david.smedley@walkermorris.co.uk, andrew.rayment@walkermorris.co.uk or shakeel.dad@walkermorris.co.uk

This tracker is up to date as at **May 2019**

Direct contacts



David Smedley, Partner, Employment
 +44 (0)113 283 2525
david.smedley@walkermorris.co.uk



Andrew Rayment, Partner, Employment
 +44 (0)113 283 2642
andrew.rayment@walkermorris.co.uk



Shakeel Dad, Partner, Employment
 +44 (0)113 399 1779
shakeel.dad@walkermorris.co.uk

Walker Morris LLP
 Kings Court
 12 King Street
 Leeds LS1 2HL
 T+44 (0)113 283 2500
 F+44 (0)113 245 9412
www.walkermorris.co.uk