

A blue-tinted photograph of a newspaper with a circular overlay containing text. The newspaper text is partially visible, including the words 'WORLD', 'BUSINESS', and 'Gen. Thav'.

**Employment  
law update:**  
Changes to the  
law in April 2020



## As well as managing the ongoing impact of coronavirus (Covid-19), it is important for businesses to be aware of the raft of employment law changes that are due to come into effect in April.

To help you and your business prepare, the employment law team has outlined below the key changes in summary. If you are looking for more details on these changes, please don't hesitate to contact the team for dedicated advice based on your particular requirements.

### Holiday pay: workers with irregular hours

When the Good Work Plan was published in late 2018, the Government referred to improving the holiday pay arrangements for workers. With effect from 6 April 2020, holiday pay for workers with irregular hours will be based on a reference period of 52 weeks instead of the current 12 weeks. This will require an adjustment

in the employer's system of calculating holiday pay. This will be particularly significant in relation to seasonal or atypical workers where historical periods of work will now form part of the calculation.

Employers should also review their contracts of employment to ensure that, where the reference period is mentioned, it is updated with the new period.

### Changes to written statements of T&Cs of employment

From 6 April 2020, employers will be required to provide written statements of terms and conditions to workers as well as to employees. In addition, the right to the statement applies from the first day that the individual works for the organisation rather than within 2 months of the employment starting as has been the case until now. Whilst it has always been best practice, employers should work towards providing the statement before the work begins and certainly no later than the first day.

For new starters on or after 6 April 2020, the statement should also include more information than was previously required. For example, more detail is required as hours of work and

rates of pay, information about probationary periods and training costs. Employers are advised to review their contracts now to ensure compliance with the new regulations.

### National Minimum Wage (NMW) increase for workers

NMW rates will increase from 1 April 2020. The hourly rates will be:

£8.20 for workers aged 21 to 24;

£6.45 for workers aged 18 to 20; and

£4.55 for workers aged 16 or 17.

The national living wage for workers aged 25 and over, will increase to £8.72 per hour from 1 April 2020.

Employers are advised to keep records of all payments to workers as evidence of compliance with the requirement to pay the NMW. Any increase in pay should be conveyed to the worker in writing.

### Increases to statutory family-related pay and statutory sick pay

The weekly rates of statutory maternity, paternity, adoption and shared parental pay will increase to £151.20 from 5 April 2020.

The weekly rate of statutory sick

pay will increase to £95.85 from 6 April 2020.

Employers should already be aware but the obligation to pay SSP arises from day 1 in respect of those staff who are off work due to coronavirus (so long as they fall within the specific guidance(s)).

### **Increase in statutory limits**

As of 6 April 2020, the following will apply in respect of dismissals that occur on or after that date:

- A week's pay for the purpose of calculating statutory redundancy pay and unfair dismissal basic awards will increase to a maximum of £538.
- The maximum compensatory award for unfair dismissal will increase from £86,444 to £88,519.
- The minimum basic award for certain unfair dismissals (eg dismissal for Trade Union membership or activities, H&S duties) will increase from £6,408 to £6,562.

### **Parity of pay for qualifying agency workers**

6 April 2020 sees the abolition of the Swedish Derogation which provided for employers to pay agency workers less than direct employees in specific circumstances. As a result of this, agency workers will now be entitled to parity of pay subject to meeting service related requirements. Employers will need to ensure that if they engage agency workers then they are paid in line with direct employees if they have the requisite length of service.

### **Work seekers and employment businesses**

As from 6 April 2020, employment business will be required to provide a key information document to work seekers before the parties agree any terms that will apply between them. This requirement will also apply to any person whom the work seeker supplies in order to carry out the work.

### **Parental Bereavement Leave and Pay**

As from 6 April 2020, employees will be able to take 1 or 2 weeks leave as a result of the death of a child under the age of 18 or a stillbirth after 24 weeks of pregnancy. There will also be the right to statutory parental bereavement leave pay subject to length of service and the individual's earnings.

### **Termination Payments and National Insurance Contributions**

Non-contractual payments of £30,000 made in relation to the termination of employment are generally considered to be exempt from statutory deductions (although this should not be assumed in every case). As from 6 April 2020 and in relation to termination payments which exceed £30,000, the employer will be required to pay Class 1A national insurance contributions on the excess over the £30,000 threshold. This is obviously an additional cost to the employer which previously did not exist.

### **IR35 and off-payroll working**

Changes to the off-payroll working regime which were due to come into force on 6 April 2020 have been put back until 6 April 2021 because of the Covid-19 outbreak.

If you are looking for legal advice and support during these challenging times, the team remains here to help you. With daily briefings on coronavirus from the Government and new developments being announced each day, more and more clients are getting in touch seeking advice on their business operations, particularly in relation to employment law.

**Against this backdrop, and with the changes above coming into force, you may have enquiries that our dedicated employment law team can help you with. If you are looking for assistance, please talk to the team today.**

#### **Hull Office**

T: +44 (0)1482 325 242

#### **Grimsby Office**

T: +44 (0)1472 267 770

#### **York Office**

T: +44 (0)1904 275 250

#### **Scarborough Office**

T: +44 (0)1723 882 500

w: [andrewjackson.co.uk](http://andrewjackson.co.uk)

e: [enquiries@andrewjackson.co.uk](mailto:enquiries@andrewjackson.co.uk)

 [@AJLawTalk](https://twitter.com/AJLawTalk)