



WORKMATTERS
The natural choice for human resources

NEWSMATTERS

July 2015



WELCOME TO THE THIRD NEWSLETTER FOR 2015

In This Issue

Our newsletter is issued to you quarterly to ensure that you can be kept up to date with employment issues. We will offer helpful hints on how to handle situations within the workplace, but never be afraid to give us a call for both guidance and support. All newsletters are on our website ensuring easy access to current information just click on the newsletter you wish to view.

This Quarter the focus is on the changes in law which may affect your business.

- National Minimum Wage changes in October 2015
- Recent changes and Amendments
- Driving licence changes
- One to watch out for – the debate on zero hours contracts is continuing!!
- Sick Leave and Sick Pay – Update with the Fit for Work service coming soon

We think you'll find the articles very interesting. Please call us on **01442 870742** to discuss any of these articles and see how we can help you and your business more effectively in the field of Human Resources. Alternatively have a look at our website www.workmattershr.co.uk and email us from there or on info@workmattershr.co.uk or on carolinebrode@gmail.com.

If you would prefer not to receive any future newsletters from Work Matters (HR) Ltd, please reply to this email with 'unsubscribe' in the title and we will remove you from our list - thank you.

Changes in the Law:

- National Minimum Wage increase in October
- Recent Changes and Amendments
- Driving Licence Changes
- Sick Leave and Pay - Update
- Fit For Work

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CHANGES IN THE LAW

National Minimum Wage increase in October

The National Minimum Wage will again increase again on the 1st October 2015.

- Adults hourly rate will increase from £6.50 to **£6.70**
- 18 – 20 year olds hourly rate will increase from £5.13 to **£5.30**
- 16 – 17 year olds hourly rate will increase from £3.79 to **£3.87**
- Apprentices hourly rate will increase from £2.73 to **£3.30**

If you take on an employee who is of compulsory school age they are not entitled to the National Minimum Wage.

If you take on an employee who is of compulsory school age they are not entitled to the National Minimum Wage. For reference in 2013 this is up to 2013 and will increase to 18 from 2015.

Recent Changes and Amendments

Small Business Act

A ban on exclusivity clauses in zero hours contracts that restrict workers to one employer came into force on 26 May following the General Election and the Conservative party committing to make this change under the Small Business, Enterprise and Employment Act 2015. Regulations dealing with anti-avoidance measures have yet to be made. Further areas this Act will cover having become law on 26 March, includes provisions on mandatory equal pay reporting for companies employing 250 or more, measures for clawing back exit payments from public sector executives who are then re-employed in the same area of work, a fine capped at £5,000 for employers that fail to pay compensation awarded by tribunals and an increase in penalties for employers not paying the national minimum wage.

Immigration Bill

The aim of this bill is to prevent illegal working, crack down on the exploitation of low-skilled migrant workers, and reduce net migration. On illegal working, employers need to be informed when employees' visas expire, so they will have no defence if they continue to employ such individuals and could face a penalty of up to £20,000. A new Labour Market Enforcement Agency will be created with powers to take action over the exploitation of unskilled migrant workers, and a new criminal offence will be introduced so the state can recover wages paid to illegal workers under the Proceeds of Crime Act 2002.

It will also become illegal for employers and recruiters to only advertise jobs overseas without advertising them in Britain. It will become increasingly important for employers to ensure they have carried out the requisite checks before and during the employment of all workers in order to satisfy themselves that the worker has the right to be and work in the UK.

It is expected there will be a clamp down on the number of skilled migrants that employers are permitted to sponsor, in order to reduce net migration. Government figures indicate a significant increase in net migration and an increase last year of 70,000 in those coming to work in the UK, bringing the total figure to 284,000.

The government has re-affirmed its aim to reduce net migration substantially, and one way to achieve that would be to reduce the limit on the number of sponsored workers permitted under Tier 2, which would be unwelcome news for employers, there are indications that the annual limit of 20,700 restricted Certificates of Sponsorship under Tier 2 (set for each year since 2010) may be reached during the year April 2015 to March 2016. A likely trend is that restricted hires will be subject to tighter restrictions as the year goes by.

Holiday Pay update

On 8 January 2015 the Deduction from Wages (Limitation) Regulations 2014 came into force limiting claims for back pay of incorrectly calculated holiday pay to two years.



The basic rules for holiday entitlements are:-

- The minimum statutory requirement for a full time employee is 28 days or 5.6 weeks including public holidays
- Full-time workers annual holiday entitlement normally accrues at 2.33 days per month from the first day of employment
- Part-time workers are also entitled to a minimum of 5.6 weeks of paid holiday each year, calculated on a pro-rata basis, according to the hours they work.
- Contracts of employment may stipulate whether all public holidays or only particular bank holidays are included in their annual entitlement
- Taking unauthorised annual holiday may lead to disciplinary action being taken by the employer
- In addition to the statutory minimum holiday entitlement an organisation may adopt the use of a time-in-lieu or flexi-time system and/or the use of unpaid holiday entitlement in addition to paid holiday entitlement
- The law has changed significantly in respect of the calculation of holiday pay so that now regular overtime and commission payments may need to be included

Driving Licence Changes

If your employees drive either a Company vehicle or their own for Company business you should still ensure that the information you hold on the individuals is up to date. The process for reviewing the documentation is now all on line. The changes that took place are as follows:-

Since 8 June 2015, the paper counterpart to the photocard driving licence isn't valid and is no longer issued by DVLA. The counterpart was introduced to display driving licence details that could not be included on the photocard. These details include some vehicle categories you are entitled to drive and any endorsement/penalty points.

Since 8 June 2015 new penalty points (endorsements) are only recorded electronically, and won't be printed or written on either photocard licences or paper driving licences. From this date, if an employee commits an offence they will still have to pay any applicable fine and submit their licence to the court but the way the court deals with the paperwork has changed.

For photocard licences, the court will retain the paper counterpart and only return the photocard to the employee.

For old style paper licences, the court will return it to them but they won't have written or printed the offence details on it.



This means that since 8 June 2015 neither the photocard driving licence nor the paper licence provides an accurate account of any driving endorsements you may have. Instead, this information is held on DVLA's driver record, and can be viewed online, by phone or post.

If you have an employee who drives for the Company you still need to ask them to provide evidence of their driving record (entitlements and/or penalty points), they can do this online for free by accessing the DVLA Share Driving Licence service. The service should be used by both paper and photocard driving licence holders. A 'check code' is generated which is then passed by the employee to the person or organisation that needs to view the driving licence details.

If they cannot generate a code online then they can call 0300 083 0013 and DVLA will provide you with a code.

Alternatively they can call DVLA on 0300 790 6801 and leave permission for the employees driving record to be checked verbally by a nominated person/organisation.

Sick Leave and Pay - Update

All employees, irrespective of age, are entitled to claim statutory sick pay as long as they have average earnings of at least £112 per week (from 6 April 2015). For SSP purposes an 'employee' is classed as someone who attracts liability for Class 1 National Insurance Contributions, or would do so if his or her income was high enough.

Eligibility begins on the first day of employment - although the employee must have actually started work - on a contract that is to last for at least three months.

Married women and widows who pay reduced NICs may be eligible for SSP if they meet the qualifying conditions.

Key points

- All employees earning at least the National Insurance Lower Earnings Limit, which is £112 per week gross (from 6 April 2015) are eligible for SSP for up to a maximum of 28 weeks. 'Employees' are defined as those liable for Class 1 NICs or those who would be liable if their income was high enough.
- Employers can opt out of SSP if they operate their own scheme (contractual sick pay). Payments must be at least equal to what would be received under the statutory provisions.
- Details of the contractual sick pay scheme must be included in employees' written particulars of employment or employees can be referred to other sources of information such as company handbooks.
- Employers operating their own arrangements must keep records of qualifying periods of sickness.
- Decisions on long-term ill-health absentees will have to comply with the Equality Act 2010.
- Employers are liable for the payment of SSP. Any payments are subject to PAYE, National Insurance and any other usual deductions.
- SSP is paid only from the fourth consecutive qualifying day of sickness. Absence from work from this day is known as a period of incapacity (PIW). A PIW is the period of time during which an employee is incapable of work.
- All days including weekends, holidays and days not normally worked are taken into account in calculating the PIW. A PIW which occurs within 56 days of a previous PIW will be linked, counting as one period of sickness.



- Employers qualifying under the Percentage Threshold Scheme (PTS) may be able to recover some or all of the SSP paid to employees. Note that this scheme was abolished on 6 April 2014.
- Employees with at least one month's continuous employment who are suspended from work on medical grounds are entitled to remuneration for up to a maximum of 26 weeks.
- Special rules apply to pregnant employees suspended from work on medical grounds.

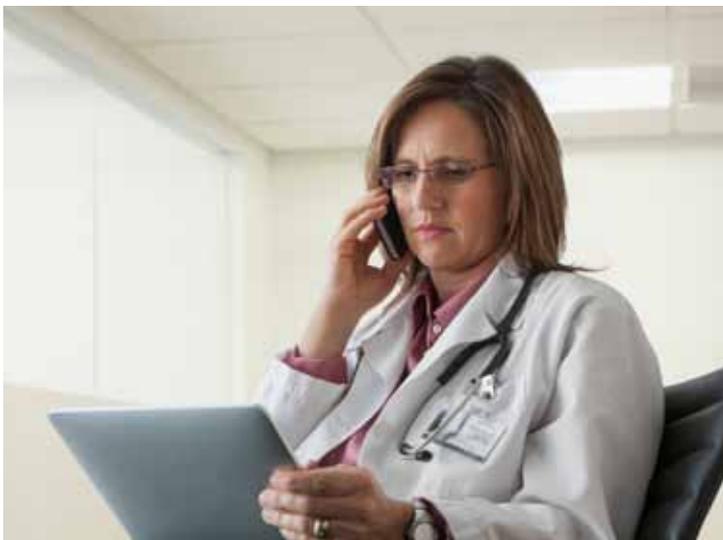
Fit For Work

The government has launched a new Fit for work service providing help for GPs, employers and employees on returning to work after a sickness absence in excess of four weeks. The service will provide advice via a website and telephone helpline, and assessments of employees, which will generally be carried out over the phone. Most referrals to the service, which is entirely consent-based, will be made by an employee's GP. The intention is to identify non-health barriers to employees returning to work.

The government is beginning to implement its new health assessment service, 'Fit for work'. Previously known as the Health and Work Assessment and Advisory Service. This is an independent assessment mechanism triggered when employees on sick leave have been absent from work for around 4-6 weeks, after which time statistics indicate the likelihood of them returning to work decreases.

There will be two main elements to the service:

- health and work advice, provided through a helpline and website www.fitforwork.org
- an occupational health assessment, designed to identify all the obstacles preventing the employee returning to work, culminating in a 'return to work plan'.



The telephone and website advice service are now live. The second part of the service, consisting of telephone based 'biopsychosocial assessments' conducted by health professionals, looking at issues which may be preventing a return to work from sick leave, will follow later. The service is not directly linked to benefits, but individuals referred to it receive the equivalent of a Fit Note at the end of their 'return to work plan' which may need to be provided as evidence in an application for benefits.

The service will be delivered in England and Wales through a private provider, Health Management Ltd, and in Scotland by the Scottish government.

The scheme is a consent-based service, designed to provide help to the individual, the employer and the GP about what things might be appropriate to help that individual get back to work. The service is intended to complement and not compete with employer's own occupational health services, and is expected to be particularly useful for small and medium sized organisations with no occupational health service.

The roll-out schedule for the service is expected to be completed by Autumn 2015.

Fit for work is not an occupational health service but a line of support, providing impartial expert health and work advice to employees, employers and GPs. It is aimed at giving doctors short on appointment time and experience of occupational health issues the opportunity of early intervention in to what they expected could become long-term health issues for patients. The service is very much work focused, but it's covering ground that might not be covered with a GP because of time or knowledge constraints.

GPs will be encouraged to make early referrals to the service; employers can only make referrals after an employee has been absent on sick leave for four weeks. There are no self-referrals. The 'return to work plan' will be agreed with the employee, and the service will also need users' agreement as to who sees which parts of the plan.

The service's implementation coincides with recently released annual figures from the Health and Safety Executive, showing that almost 46 per cent of the half a million employees who developed a new illness over the past year had an illness related to stress, depression or anxiety and that 23.5 million working days were lost to all illnesses in the year from 2013-14.

For further advice and to discuss a review of any policies in relation to your organisation please contact us at Work Matters (HR) on info@workmatters.co.uk



Thank you for taking the time to read our Newsletter which I hope you found informative.

An e-newsletter will be sent on a quarterly basis to help keep you up to date with current legislation changes, as well as giving you some helpful hints and tips to help your business run smoothly.

In the meantime please contact us if we can be of service to you or your company.

Have an enjoyable quarter and we look forward to issuing you with our next newsletter in the early part of October 2015.