

Employment Law: What to Expect in 2017

A number of important employment law changes are being made in 2017:

Equal Pay

The Gender Pay Reporting Regulations are expected to come into force on 6 April 2017. The Regulations require organisations with 250 or more employees to report on their gender pay gap. The first reports made must include information from the pay period that covers 6 April 2017 and must be published within 12 months of that date on both the company's own website and specific government website.

Taxation of Salary Sacrifice Benefits

Following on from the government's 2016 Autumn Statement, certain salary sacrifice arrangements will no longer benefit from tax relief and will be subject to the same tax as income. However, pension contributions, cycle to work schemes, childcare schemes and ultra-low emission cars will continue to receive beneficial tax treatment.

National Living Wage

The National Living Wage was introduced on 1 April 2016 and it requires employers to pay their employees who are aged 25 and over a prescribed hourly rate of pay. With effect from 1 April 2017 the prescribed rate of pay will be increased from £7.20 to £7.50 an hour. For those aged under 25, the National Minimum Wage rates will continue to apply (all of which slightly increase from 1 April 2017).

The government has confirmed that it will be investing an additional £4.3 million a year in policing national living and national minimum wage obligations which could mean employers facing financial penalties if they are not paying the prescribed rates.

Statutory Pay Rates

On 2 April 2017, the pay rates for statutory maternity, paternity, adoption and shared parental pay all increase from £139.58 to £140.98.

Brexit

Subject to the case currently being held in the Supreme Court, 2017 should be the year in which we are given a clearer steer as to what Brexit means for UK employment law. The outcome of any future Brexit negotiations will have the potential to have major ramifications for UK companies. Issues such as the free movement of people between the EU and UK and working time may all potentially be impacted by the outcome of the Brexit negotiations.

Pensions: Auto-enrolment

2017 will see the majority of small employers (fewer than 50 employees) enrol their employees into a qualifying pension scheme. The government also intends to conduct a review of the implementation of auto-enrolment this year.

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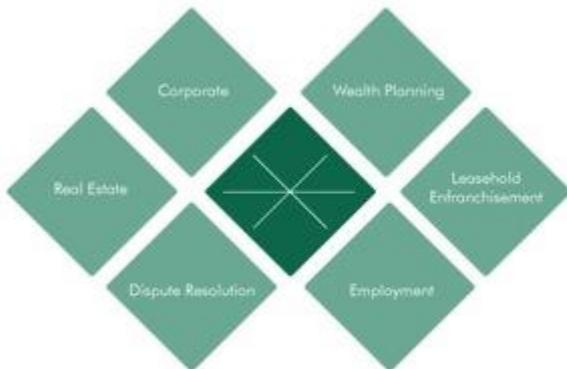
If you would like more information on the above changes, or any related matter, please contact a member of Rooks Rider Solicitors' Employment team.



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