

## Employment Law: What to expect in 2016

A number of important employment law changes are being made in 2016:

### January

#### ***Protection for zero hours workers***

In 2015, clauses in zero hours contracts which prevented workers from working for other employers were prohibited. New regulations are now in force, which enable zero hours workers to claim unfair dismissal if the principal reason for their dismissal is that they breached a term of their contract which prohibited them from working for another employer. It will also be unlawful to subject a zero hours worker to detriment if they work for another employer in breach of a clause prohibiting them from doing so.

### March

#### ***Equal pay***

Regulations are due to be published by 26 March 2016 introducing a reporting obligation on private sector employers with 250 or more employees to publish information regarding the pay and bonus payments made to male and female employees, the purpose of which is to highlight any differences in pay between the genders. Until the regulations are published it is unclear exactly how detailed the information will be required to be and where it will be published.

### April

#### ***National Living Wage***

The national living wage will be introduced on 1 April 2016, which requires employers to pay their employees who are aged 25 and over an hourly rate of £7.20. For those aged under 25, the existing lower national minimum wage rates will continue to apply.

The penalty, which can be imposed on employers who fail to pay the national living and national minimum wage (as appropriate), is being increased to 200% of the amount the employer has failed to pay (the current penalty is 100%). In addition, a new penalty of disqualification from being a company director for up to 15 years for non-payment is also being introduced.

#### ***Statutory pay rates***

There will be no increase in April 2016 of the weekly rate of statutory maternity pay, statutory paternity pay, statutory adoption pay and statutory shared parental pay, due to a fall in the Consumer Price Index. Statutory sick pay will also not be increased. Therefore, the 2015 rates will continue to apply.

In relation to the statutory cap for compensation for unfair dismissal, although no official announcement has been made, the figure for 6 April 2016 is expected to be £78,962 (up from £78,335).

In relation to the statutory limit on a gross week's pay, which applies to the calculation of redundancy payments and the basic award for unfair dismissal, although no official announcement has been made, the figure for 6 April 2016 is expected to be £479 (up from £475).

### ***Enforcement of Tribunal awards***

Changes are expected to come into force during April 2016 that will allow financial penalties to be levied on employers who do not pay employment tribunal awards.

### **September**

#### ***Whistleblowing rules***

Whistleblowing, in an employment context, is the right for an employee to disclose wrongdoing in relation to his employer by making a 'protected disclosure'. The legislation protects employees who make 'protected disclosures' from being subjected to detriment in relation to their protected disclosure and if they are dismissed in connection with their protected disclosure, it will be automatically unfair. On 7 September 2016, new rules on whistleblowing for the financial sector will be introduced, including a requirement to appoint a whistleblowers' champion and for all UK-based staff and their managers to receive appropriate training on whistleblowing.

### **During 2016**

#### ***Pensions: Auto-enrolment***

In October 2012, the government introduced provisions requiring all employers to enrol qualifying employees into a qualifying pension scheme, with the right for any individual to opt out if they wish to do so. The provisions have been brought in on a staged basis with the largest employers being brought into auto-enrolment first. This year should see the majority of smaller employers being brought into auto-enrolment. Therefore, the majority of smaller employers (those with fewer than 30 workers) will reach their 'staging date' in 2016, meaning that they will need to enrol their workers into a qualifying pension scheme on or before the relevant date.

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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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