



# Employment Law Update

## **STOP PRESS - Coalition to wipe the smiles from employees' faces on 1 April**

- Any lingering happiness generated amongst “hardworking people” by the decision to halve the bingo tax and take 1p off the price of a pint will surely evaporate as the Government announces a shock new law to ban all jokes in the workplace. The final details of the new legislation will be released when it comes into force on 1 April.

And from 6 April 2014 several other changes are going to be made to the employment law regime.

## **Update on Employment Law Changes from 6 April 2014**

### **Abolition of Questionnaires**

- Statutory discrimination questionnaires and the time frames applicable for their use are abolished. This will not prevent Claimants or their solicitors asking questions in letters (of which there will undoubtedly be more) but there is no statutory entitlement for tribunals to draw inferences for failure to answer questions.

### **Early Conciliation**

- Pre-claim ACAS conciliation provisions will become mandatory from 6 May 2014. This means that an employee will have to notify ACAS before they are able to bring a tribunal claim. ACAS will then have one month, during which the usual tribunal limits are paused, to try and resolve the dispute. If there is a reasonable prospect of reaching a settlement, this period may be extended by a further two weeks. This may assist the sorting out of smaller unlawful deductions from wages claims and arguments over holiday pay but it remains to be seen whether it will have a lasting effect on more substantial issues.



## Tribunal Penalties for Employers

- Tribunals will be able to impose financial penalties up to a maximum of £5,000 for losing employers where the breach by the employer has one or more “aggravating features”.

## Penalty for employing Illegal Immigrants

- The maximum penalty for employers that employ people who do not have the right to work in the UK is being raised from £10,000 to £20,000.

## Auto-enrolment

- The time employers have to enrol eligible job holders into a qualifying pension scheme (under the auto-enrolment rules) will be extended from one month to six weeks (from 1 April 2014).

## Rates

- The standard rate of sick pay increases to £87.55 per week
- The rate of statutory maternity pay, ordinary and additional paternity pay and statutory adoption pay will increase to £138.18 per week
- The income tax personal allowance will increase to £10,000.
- The basic rate limit for income tax will decrease to £31,865.
- The higher rate threshold for income tax will increase to £41,685.
- The national insurance contributions (NIC) threshold will increase to £111 per week.
- The date for the annual index-linked compensatory award limits for Employment Tribunal claims has moved from 1 February to 6 April.

## Abolition of Statutory Sick Pay record keeping

- The prescribed Statutory Sick Pay record-keeping will be abolished in favour of giving employers the discretion to use a system which suits them.

## Employment Allowance

- Businesses and charities will be entitled to receive an allowance of £2,000 towards their employer NIC bill.