

# Employment Law Changes To Look Out For In April 2019

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## Employment Law Changes To Look Out For In April 2019

April 2019 is set to be an eventful month, one where the UK may or may not leave the European Union, tens of thousands will line up to run the London Marathon, and most of us will look forward to a much-needed break at Easter. There are also several employment law changes HR directors and employers need to prepare for. They are as follows:

### Employment Tribunal compensation limit change

The limit on the amount of compensation awarded by the Employment Tribunal for unfair dismissal will rise from £83,682 to £86,444. The upper limit which can be paid out will be either £86,444 or 52-weeks' actual pay if that is less than the statutory cap.

The maximum statutory redundancy payment (and basic award for unfair dismissal) will increase to £15,750.

## **The National Living Wage to increase**

On 1 April 2019 the National Living Wage (formally known as the National Minimum Wage) will increase by 4.9% for all age groups, calculated at.

- £8.21 per hour for workers aged 25 and over (up from £7.83).
- £7.70 per hour for workers aged 21 to 24 (up from £7.38).
- £6.15 per hour for workers aged 18 to 20 (up from £5.90).
- £4.35 per hour for workers aged under 18 (up from £4.20).
- £3.90 per hour for apprentices (up from £3.70).

Failure to pay the National Living Wage can result in being publicly named and shamed and a maximum penalty of £20,000 being imposed. Most employers do not intentionally pay less than the minimum wage, but laxities in HR systems can mean employees' birthdays are missed and therefore their wage does not increase when they reach an age where the amount paid should change. Other common reasons for failing to pay the National Living Wage include; not classifying workers correctly (i.e. registering them as self-employed instead of employed) or not counting the entire time the employee spends working (for example, locking up the premises). It is imperative that business owners ensure their HR policies and procedures are up-to-date and alive to changes in employee circumstances which may trigger a change in the amount they should be paid.

## **Gender pay gap reporting deadline**

Private companies with more than 250 employees must publish their reports regarding gender pay gaps on 4 April 2019.

The gender pay gap in 2018 was found to be 8.6%.

To comply with gender pay gap reporting obligations, you must publish your organisation's report in an accessible place on your website and ensure it remains in place for at least three years. Gender pay gap results should also be uploaded to the [Government's reporting website](#).

### **Workers entitled to itemised pay statements**

From 6 April 2019 those classified as 'workers' will be legally entitled to receive an itemised pay statement. These were previously only required for employees.

Furthermore, if a staff member's remuneration varies depending on the number of hours worked, their payslip must clearly set out those extra hours. An example of this is where a worker or employee is paid a fixed salary but can work overtime on an ad-hoc basis at an hourly rate. In such a case, the overtime worked needs to be shown on the pay statement. This change is aimed at making remuneration transparent and provides an ability to quickly check the total number of hours work should a worker dispute their pay statement.

### **Certain statutory pay amounts increase**

Statutory maternity, paternity, adoption, and shared parental pay increases to £148.68 per week from 7 April 2019. And from 6 April 2019, statutory sick pay increases to £94.25 per week.

### **Changes to statutory redundancy**

Any employees made redundant must pay those with two years' service an amount based on the employee's weekly pay, length of service and age. The maximum amount the weekly pay is subject to will be £508 from 6 April 2019.

### **Start preparing for the end of freedom of movement**

If / when the UK leaves the European Union, employers who wish to recruit talent from an EU country will need to be aware that prospective employees will be subject to similar

restrictions that are currently in place for non-EEA nationals.

If you have any EU citizens employed in your organisation, they should be made aware that if they meet certain conditions, they can apply for [Settled Status](#), which will allow them to live and work in the UK indefinitely.

**If you have any questions regarding how these new changes may affect your business, please do not hesitate to call us on 020 3828 0350.**

**BDBF are employment law specialists in the insurance and financial services sectors.**

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