

6th April 2014

Employment law changes taking effect in April 2014

The following changes to employment law come into effect from 6 April 2014:

- Mandatory ACAS early conciliation will be introduced, under which workers will have to go to ACAS before they can lodge most employment tribunal claims and then ACAS will contact employers, provided the worker agrees, to see if there is scope for the dispute to be resolved. Both parties will remain at liberty to decline to participate in the early conciliation process. If settlement cannot be reached, ACAS will issue a certificate which the worker will need in order to present a claim to the employment tribunal. Initially, instigating ACAS early conciliation will be voluntary but it will become mandatory from 6 May 2014. The relevant time limits for bringing employment tribunal claims will be extended to allow for early conciliation.
- New provisions will come into force under which employment tribunals will be able to impose discretionary financial penalties against respondent employers who lose at employment tribunal where they are found to have breached a worker's employment rights and the tribunal is of the opinion that the employer's breach had one or more aggravating features. This is on top of any compensation awarded in favour of the worker. The amount of the penalty, which goes to the government not to the worker, will be 50% of the amount of any compensation award, subject to a minimum of £100 and a maximum of £5,000. A discount of 50% will be applied if the penalty is paid within 21 days.
- The statutory discrimination questionnaire procedure in the Equality Act 2010, which enables a worker to obtain information from their employer about discrimination and provides for the information to be used as evidence in employment tribunal proceedings, will be removed and replaced with an informal process and ACAS non-statutory good practice guidance.
- The index-linked increases to the limits applying to certain awards of employment tribunals and to other amounts payable under employment legislation will come into force. For example, the maximum amount of a week's pay for the purposes of calculating statutory redundancy payments and the basic award for unfair dismissal increases from £450 to £464, the maximum compensatory award for unfair dismissal increases from £74,200 to £76,574 for those cases where this exceeds the equivalent of one year's salary and the limit on the daily amount of statutory guarantee pay increases from £24.20 to £25.00.

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- The weekly rate of statutory sick pay (SSP) will increase from £86.70 to £87.55 per week.

- The standard weekly rate of statutory maternity pay (SMP) and the weekly rates of statutory paternity pay (SPP) and statutory adoption pay (SAP) will increase from £136.78 to £138.18 per week.

- The lower earnings limit applying to National Insurance contributions, below which employees are not entitled to SSP, SMP, SPP and SAP, will increase from £109 to £111 per week.

- The SSP Percentage Threshold Scheme, which provides for small employers with relatively high levels of sickness absence to recover a percentage of SSP, will be abolished. In addition, employers will no longer be required to maintain records of employees relating to sickness absence and payment of SSP. Instead, employers will be free to keep whatever records best suit the needs of their business.

- The list of prescribed persons for whistleblowing purposes will be amended to include members of the House of Commons (MPs). MPs will be prescribed persons in respect of any matter for which any other person is a prescribed person.

- There will be an amendment to the Transfer of Employment (Pension Protection) Regulations 2005 relating to occupational pension schemes which will allow transferee employers that provide a money purchase scheme to, in certain circumstances, match the contributions that the former employer had been required to make in respect of the employee immediately before the TUPE transfer, as an alternative to the current requirement of matching the employee's chosen contribution rate up to 6%.