

UK EMPLOYMENT LAW CHANGES

What's Coming into Force This Month?

4 April 2014

A quick reminder of the employment law changes coming into effect on **6 April 2014**:

Abolition of Discrimination Questionnaires

Statutory discrimination questionnaires will be abolished. Most employers will welcome their removal but they should be aware that claimants will still be able to make enquiries — just not under the statutory mechanism. It will therefore remain important for employers to consider any requests for information, whether as part of a preaction request or as part of Tribunal proceedings. The power of the Tribunal to draw inferences against the employer from replies which are incomplete or evasive is not removed.

Acas has recently issued new guidance on "Asking and responding to questions of discrimination in the workplace", which contains practical help for employers on how to respond appropriately to requests for information of this sort.

Mandatory Pre-claim Acas Conciliation

Compulsory pre-claim Acas conciliation will be introduced. This means that with some limited exceptions claimants will be required to contact Acas to discuss 'Early Conciliation' before they can lodge proceedings at the Employment Tribunal.

The provisions will be mandatory for any claims presented on or after 6 May 2014, with transitional provisions applying between 6 April and 5 May 2014 where individuals contact Acas for conciliation and present a claim.

Financial Penalties for Employers

Tribunals will have new powers to impose financial penalties on employers which are found to have breached employment rights and that breach has an aggravating feature, e.g. it was committed negligently or maliciously. The maximum penalty is £5,000. This will be in addition to any damages awarded to a claimant, and would be payable to the Government. A 50% reduction will apply if paid within 21 days.

Statutory Sick Pay Records

SSP record-keeping obligations will be abolished. Employers may well wish to continue to maintain such records for their own purposes.

The Government is also scrapping the Percentage Threshold Scheme which currently provides compensation for employers with high levels of sickness absence. This will "free up funds" to set up the new Health and Work Service which will provide free Occupational Health assessments for employees off sick for four weeks or more. Full implementation of this scheme is due for April 2015.

Changes to TUPE: Relaxation on Obligation to Make Pension Contributions Post-transfer

The rules regarding how transferee employers can satisfy their pension obligations on a TUPE transfer will be relaxed. Where the transferor employer provided transferring employees with a money purchase occupational pension scheme and the transferee also wishes to provide the employees with a money purchase plan going forward, the transferee will have the option of paying the same amount of pension contributions as the transferor was required to pay. The transferee will also be able to meet the relevant requirements by paying contributions to the money purchase pension plan that match the employee's contributions, up to a cap of 6%, as was the case before 6 April 2014. (Note that different rules apply if the transferee wishes to provide a transferring employee with a non-money purchase pension plan.)

Increased Rates and Limits for 2014/15

Statutory Sick Pay will increase from £86.70 to £87.55 per week.

Statutory Maternity Pay, Statutory Adoption Pay, Ordinary Statutory Paternity Pay and Additional Statutory Paternity Pay will increase from £136.78 to £138.18 per week.

The maximum compensatory award for unfair dismissal will also be increased to £76,574 (or 52 weeks' pay, if lower) for any dismissals where the effective date of termination falls on or after 6 April 2014. The cap on a "week's pay" will increase to £464.

Note: Different rules and rates apply in Northern Ireland.

The contents of this update are not intended to serve as legal advice related to individual situations or as legal opinions concerning such situations nor should they be considered a substitute for taking legal advice.

© Squire Sanders.

squiresanders.com All Rights Reserved 2014