

The Ongoing Uncertainty for EEA Nationals

The higher education sector is still reeling from the result of the referendum to leave the European Union. What is more, in light of the ongoing uncertainty around what any Brexit deal will look like, combined with the recent General Election, one of the key challenges for the sector is to keep its EEA staff sufficiently engaged so that they remain in the UK until the final details are ironed out.

Whilst it is likely that the government will grant EEA nationals who were resident in the UK on a particular date some form of amnesty, this cannot be guaranteed and institutions should consider the following:

- Assess the nationalities of your institution's workforce with a view to supporting your current EEA staff and/or their families and understand the impact on your business if you are restricted from recruiting a similar proportion of EEA staff in the future
- Similarly, non-EEA nationals currently resident and working in the UK on the basis of their relationship with an EEA national will be in a similar position in that if their spouse/partner loses the right to reside in the UK, so will they
- Consider developing a way to collate information beyond the mere nationalities of your EEA staff and assess the skill level of those roles held by your EEA staff (by virtue of the Home Office SOC codes)
- Continue to make representations via us or your trade body in order to positively influence the negotiations
- Anticipate the cost of additional HR resources and systems to cope with Brexit
- Continue to communicate with all of your staff about what you are doing

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Gender Pay Gap Reporting – What Do Employers Need to Know and Do?

The new Gender Pay Gap Reporting Regulations came into force on 6 April 2017 and employers have 12 months from that date to comply. On the face of them, the regulations are deceptively simple. Companies with 250 or more employees must publish (annually on their websites) information about any differences in pay and bonus entitlement between their male and female employees. As is often the case, the devil is in the detail and the problem for many employers is that they simply do not have the systems and information they need to enable them to analyse the data and comply.

For businesses struggling to comply, the good news is that the government has decided against introducing any civil penalties to enforce compliance. The not so good news is that it is relying on the impact of negative publicity on a company's brand and reputation. Those companies contracting with government bodies are likely to see a more direct impact, as proof of compliance is likely to be a tender requirement.

The advice to any business that is unsure of its obligations is: don't panic. There is still time to comply so use it to appoint someone senior within the organisation to take responsibility. Analyse your data (including calculating your employees hourly rate of pay and bonus entitlement) to see if you have a gender pay gap. If you have a gender pay gap, take advice and devise an action plan to deal with it. The reporting regulations are just the beginning of the story – the much bigger issues for companies are the potential Equal Pay claims that could follow publication. For more information, [click here](#) to review our top 10 tips for Gender Pay Gap Reporting.

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Higher Earners in Higher Education – Saving for Retirement

For some time, there have been seemingly continual changes affecting higher earners' pension savings. Whilst being encouraged to save towards retirement, with tax advantages to doing so, the introduction (and reduction) of the lifetime allowance and annual allowance limits the amount that can be saved whilst retaining those tax advantages. The annual allowance is further tapered for those who earn above £150,000, ultimately reducing the annual allowance for those who earn above £210,000 to £10,000.

Higher earners need to be alert to the changes affecting their ability to save towards their retirement and how to manage the impact of changes (including protections available). Furthermore, administrative processes and member/employee communications need to be up-to-date and developments monitored. Employers are also increasingly revisiting benefits, to ensure that they continue to provide valuable benefit packages to their employees and recruits, whilst also offering value for money and remaining compliant.

Excepted Life Policies, which fall outside the registered pension scheme regime and so have tax advantages, particularly for higher earners, are also growing in use.

A number of options for accessing retirement benefits in a flexible way were introduced in 2015. However, where members have accessed their benefits flexibly, there may be a limit imposed on further contributions to a pension plan. The government announced its intention to reduce the money purchase annual allowance (MPAA) from £10,000 to £4,000 with effect from 6 April 2017. Whilst this reduction to the MPAA was taken out of the Finance Bill 2017 and therefore does not appear in the Finance Act 2017, once introduced, it may still have retrospective effect from 6 April 2017. This could, therefore, impact on those members who have already accessed their savings on the understanding that the MPAA would be £10,000.

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EU General Data Protection Regulation

The EU General Data Protection Regulation (GDPR) will have direct effect throughout the EU from 25 May 2018 and it is likely to continue to apply in the UK even post-Brexit. The scale of the changes imposed by the GDPR is significant and all higher education bodies will be bound to comply with them.

Holding, as they do, extensive information about students and staff, they will need to take steps now to ensure compliance by May 2018 and to avoid fines of up to a maximum of €20 million.

The [attached](#) document highlights the main steps that organisations will need to take to comply and provides average time estimates for each stage of the process. Many of the steps can be undertaken in parallel.

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