

Employment Law Changes – What's Coming Into Force in April?

A quick reminder of the key employment law changes coming into effect next month.

National Minimum Wage	<p>The rate of the compulsory National Living Wage for adults aged 25 and over will increase from £7.50 to £7.83 per hour on 1 April 2018.</p> <p>The revised National Minimum Wage rates that will also take effect on 1 April 2018 are:</p> <ul style="list-style-type: none"> • Adult rate (workers aged 21-24) to increase from £7.05 to £7.38 per hour • Workers aged 18-20 to increase from £5.60 to £5.90 • Workers aged 16-17 to increase from £4.05 to £4.20 • Apprentices to increase from £3.50 to £3.70
Increased benefit rates for 2018/19	<p>On 1 April 2018, SMP, SAP, SPP and SSPP will increase from £140.98 to £145.18.</p> <p>On 6 April 2018, SSP will increase from £89.35 to £92.05.</p>
Tribunal compensation limits	<p>New limits on certain Employment Tribunal awards will come into force on 6 April 2018. The two key changes are:</p> <ul style="list-style-type: none"> • The limit on the compensatory award for "ordinary" unfair dismissal will increase from £80,541 to £83,682 • The maximum amount of a week's pay for the purposes of calculating statutory redundancy payments and the unfair dismissal basic award increases from £489 to £508 <p>These new limits will apply to dismissals that take effect on or after 6 April 2018.</p> <p>Note that the cap on the compensatory award for "ordinary" unfair dismissal is the lower of the statutory limit set out above and 52 weeks' pay of the individual concerned.</p>
Gender pay gap reporting	<p>Private sector employers in Great Britain with 250 or more employees must publish their first gender pay gap reports on or before 4 April 2018.</p>
Auto-enrolment	<p>From 6 April 2018, the statutory minimum automatic enrolment contribution rates in defined contribution schemes will increase to 5% of qualifying earnings. This includes a minimum employer contribution of 2%. The balance is made up of employee contributions and tax relief.</p>
Taxation of termination payments	<p>From 6 April 2018, all payments in lieu of notice will be treated as earnings and, therefore, subject to tax and employee's and employer's NICs. This is irrespective of whether there is a PILON clause in the contract of employment. The new rules will apply to payments received on or after 6 April 2018 in circumstances where the employment is also ended on or after 6 April 2018.</p>

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