

# HOT TOPICS IN UK EMPLOYMENT LAW

#### 1. Parental leave

The amount of unpaid parental leave that can be taken per child increased from 13 to 18 weeks on 8 March 2013. Employers should review, and if necessary update, any parental leave policy.

#### 2. Discrimination

Statutory discrimination questionnaires will be repealed, but employers should be aware that claimants will still be able to make enquiries — just not under the statutory mechanism. The UK Government is also repealing the specific third-party harassment provisions in the Equality Act 2010. The exact commencement date has yet to be confirmed.

# 3. Changes to collective redundancy rules

The current 90-day minimum period for collective redundancies of 100 or more employees at one establishment will be reduced to 45 days. The Government is not, however, changing the current 90-day maximum period for a protective award. These changes will affect redundancy proposals which occur on or after **6 April 2013**. Fixed-term contracts which have reached their agreed termination point will be excluded from the collective consultation obligations. Furthermore, Acas will produce new non-statutory guidance to accompany the reforms.

#### 4. Employee shareholders

In **Autumn 2013**, the UK Government is introducing a new employee shareholder arrangement whereby employees can give up some of their employment rights in return for owning shares in the company they work for. Employees will then be able to sell the first £50,000 of offered shares free of capital gains tax.

#### 5. Tribunal fees

From **Summer 2013**, claimants will have to pay one fee in order to bring a claim and a further fee if they want to proceed to a full hearing, with the level of fee payable dependent on the type of claim and stage in proceedings. Level 1 claims, generally the more simple and straightforward claims, will be subject to a £160 issue fee and a £230 hearing fee. Level 2 claims (everything else, including unfair dismissal and discrimination claims) will be subject to a £250 issue fee and a £950 hearing fee. There will also be fees payable for certain applications to the Employment Tribunal.

# 6. Unfair dismissal compensation

From **Summer 2013**, there is going to be a cap on unfair dismissal compensation which will be set at 12 months' pay or the overall statutory cap (currently £74,200), whichever is the lowest.

### 7. Early conciliation

All prospective Tribunal claimants will be required to contact Acas to discuss early conciliation before they will be allowed to lodge proceedings in the Employment Tribunal. Employers will also be able to request early conciliation where there is a matter that might give rise to Tribunal proceedings if it is not settled. These changes will take place in Spring 2014.

# 8. Pre-termination negotiations

From **Summer 2013**, Employment Tribunals dealing with claims of unfair dismissal will be prevented from taking into account any offer made, or discussions held, with a view to terminating an employee's employment on agreed terms. In short, the UK Government is extending the concept of "without prejudice" discussions to situations where no formal dispute has yet arisen. The new rule will not apply to anything which in the Tribunal's opinion was improper or connected with improper behaviour, nor will it apply to cases of automatic unfair dismissal, discrimination etc.

# 9. Changes to TUPE Regulations

The UK Government is planning to make some fairly substantial changes to the current position, not least the removal of the service provision change rules, removing the requirement for transferors to provide Employee Liability Information to transferees and allowing transferees to engage with transferring staff before a transfer about proposed redundancies. The consultation closes on 11 April 2013 and the changes may come into force as early as October 2013.

# 10. And finally, new figures to be aware of....

For any dismissals on or after 1 February 2013:

- The maximum compensatory award for "ordinary" unfair dismissal is £74,200
  - A week's pay for calculating a statutory redundancy payment and a basic award is £450

Statutory payment rates:

- SMP, SAP, OSPP and ASPP increase to £136.78 from 7 April 2013
  - SSP increases to £86.70 from 6 April 2013

#### **Further information**

For further information about any of our Hot Topics please contact any of the partners listed or your usual contact in the Squire Sanders Labour & Employment team.

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