

Employment law changes in 2016

Written by Gerri Green, HR Projects Manager at Campbell Tickell. This summary includes information gathered from the CIPD website and Employment Law Barrister, Daniel Barnett. References are included for further reading.

1. Gender pay reporting begins

Large employers will be obliged to publish information about their gender pay gap during 2016. Regulations must be introduced by 26 March 2016 that will make it compulsory for organisations with 250 or more employees to publish information about the difference in pay between men and women. This will need to include details of the gap in bonus payments. However, further details of what this means for employers are yet to be disclosed, including the particulars that they will need to provide and where the information should be published. It is expected that employers will be given time to get to grips with the legislation before the reporting requirements come into force¹.

2. National living wage introduced

The national living wage begins on 1 April 2016. For the first time, employers will need to pay staff aged 25 and over a new top rate of the national minimum wage. For those aged under 25, lower national minimum wage rates will apply. The national living wage is initially set at £7.20. The national living wage is separate to the living wage, a recommended rate based on the cost of living, used by the Living Wage Foundation. Another change concerning minimum pay is the doubling of the penalty for failure to pay staff the national minimum².



3. Statutory parental pay rates and sick pay frozen

The Government has proposed that the annual increase in the weekly rate of statutory maternity pay, statutory paternity pay, statutory adoption pay and statutory shared parental pay will not happen in 2016. The rates normally increase every year, but a fall in the consumer prices index has meant no uplift for 2016/17. Statutory sick pay will also remain the same.³

4. Restrictions placed on public-sector exit payments

Payments made to public-sector staff when they leave their job are subject to new rules. First, to limit excessive payments, exit payments for public-sector employees are capped at £95,000. There is no confirmed implementation date for this change. Second, from 1 April 2016, there will be a requirement for public-sector employees with annual earnings of £100,000 or more to repay exit payments where they return to work in the same part of the sector within 12 months. So if Housing Associations do change back to being public sector bodies this may extend to them too. Further details to follow on this change is expected⁴.

¹ <https://www.gov.uk/government/news/pm-announces-new-measures-to-eradicate-gender-pay-inequality>

² <https://www.livingwage.gov.uk/>

³ <https://www.gov.uk/maternity-pay-leave/overview>

⁴ <https://www.gov.uk/government/consultations/public-sector-exit-payment-recovery-regulations>

5. Trade union law amended

The Trade Union Bill reforms the law applying to trade unions, including placing more stringent requirements on trade unions before they take industrial action. The measures include: increasing the voting threshold to 50%; introducing a requirement that 40% of all those entitled to vote in the ballot vote in favour of industrial action in important public services; setting a four-month time limit for industrial action after the ballot; and increasing the amount of notice to be given to an employer of strike action⁵.



6. Workers given power to seek redress where employer ignores ban on exclusivity clauses

Exclusivity clauses in zero hours contracts were prohibited in 2015. New regulations that apply from [11 January 2016](#) aimed at addressing avoidance of the ban, give employees the power to make a complaint to an employment tribunal where they have been dismissed or subjected to a detriment following breach of an exclusivity clause.

7. New rules to protect apprenticeships

The Government bans organisations from using the term “apprenticeship” where it is applied to describe a scheme that is not a statutory apprenticeship, for example in a job advert. There will also be an apprenticeship target for public-sector organisations.

8. Updated laws on employing foreign workers

[The Immigration Bill](#) makes various changes to the law applying to foreign workers, including: creating an offence of illegal working; requiring all public-facing public-sector employees to speak English fluently; and introducing an immigration skills charge for employers that use foreign workers.

9. Whistleblowing

The government has recently altered those to whom a disclosure can be made to, other than the employer; the individual must make sure that they have chosen the correct person or body. This link will take you to the document where you will find a list of the prescribed persons and bodies to whom they can make a disclosure to. There is also a brief description about the matters that can be reported to each prescribed person⁶.

For any of your HR related queries, please feel free to contact HR Project Manager, Gerri Green on: gerri@campbelltickell.com

⁵ <http://services.parliament.uk/bills/2015-16/tradeunion.html>

⁶ Government Publication - Blowing the Whistle of Prescribed People and Bodies