

Employment Law update April 2020

1. Annual increase to National Minimum Wage

The national minimum wage rates are going up on 1 April 2020.

- National Living Wage for workers 25 and over: **£8.72** (from £8.21)
- National Minimum Wage for workers aged 21 – 24: **£8.20** (from £7.70)
- National Minimum Wage for workers aged 18 – 20: **£6.45** (from £6.15)
- National Minimum Wage for school leavers under 18: **£4.55** (from £4.35)
- Apprentices minimum wage: **£4.15** (from £3.90)

2. Average week's pay calculations for variable pay workers

From April 2020 there will be an increase in the pay reference period. This is relevant for calculating an average week's pay where a worker has variable remuneration. If an employee is on the same salary every month this won't affect any calculations.

If a worker has been employed for at least 52 weeks, the reference period is increased from 12 weeks to 52 weeks. Where a worker has been employed for less than 52 weeks, the reference period is the number of weeks for which the worker has been employed.

Holiday pay calculations for variable pay workers

The reference period you need to use to calculate average holiday pay for workers with irregular hours will increase from 12 weeks to 52 weeks on 6th April 2020.

Before April you'll need to update your contracts of employment and holiday policies, as well as making sure that your calculation reference period is changed in good time.

3. Contracts of employment: a day one right for employees and workers

From April 2020 there is a significant change that has come about as a Good Work Plan. Both employees and workers will be entitled to a written statement of their employment details from day one of their employment.

Historically employers had two months from the day an employee started work to give them a written statement of terms.

This is another outcome of the Good Work Plan.

Also, there are some extra details which will need to be included in statements from April, such as details of paid maternity leave entitlements, and any probation period and benefits entitlements.

For many businesses, these new requirements will mean changing their on-boarding process for new employees and workers to bring forward their admin processes and sending contracts out ahead of employees starting work.

4. New parental bereavement leave rights for employees

From 6 April 2020 the Parental Bereavement (Leave and Pay) Act 2018 comes into force. This gives employees who lose a child under the age of 18, or who suffer a stillbirth from the 24th week of pregnancy, the right to take two weeks' unpaid leave.

This is a day one right, so applies regardless of how long the employee has been employed and extends to adopters, foster parents, guardians, and relatives or family friends who have taken responsibility for the child's care.

If the employee has been employed for at least 26 weeks, they will also receive statutory pay during the two week leave period.

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