

Government proposes increased statutory pay rates

Employers will be required to pay out increased rates to staff on 'family friendly' leave or sickness absence from April 2020. Join us as we take a closer look at the latest statutory rate increases below:

- The rate for statutory maternity, paternity, adoption and shared parental pay will increase from £148.68 to £151.20 per week, effective from 5th April 2020.
- Statutory sick pay (SSP) is set to increase on 6th April 2020, in line with the first Monday of the new tax year.
- Following this, staff who meet the eligibility criteria will be entitled to a higher rate of £95.85 per week, up from £94.25 previously.
- To qualify for both payments, staff will need to earn at least the lower earnings limit, which is currently set at £118 per week. An increase to this rate is expected in April 2020, but this is yet to be confirmed.
- Employers are encouraged to review their existing policies on these statutory payments ahead of April and ensure that these new rates are introduced correctly.
- It is especially important not to forget those who are part way through a period of leave when these enhanced rates are introduced.

Resolution Foundation call for tougher NMW penalties

The Resolution Foundation has called on harsher sanctions for employers that flout national minimum wage law suggesting that current enforcement methods are not sufficient. This follows figures which show firms have only a 1 in 8 chance of being caught in relation to underpayment.

Did you know?

HM Revenue and Customs have the power to issue penalties of up to 200% of any underpayment for failing to provide the national minimum wage. However, figures show that the average penalty was around 90%, with employers being able to avoid high penalties through early repayment.

'Liz Earle' discriminated against pregnant employee

Skincare brand Liz Earle has been adjudged to have discriminated against a pregnant employee in selecting her for redundancy. The employee claimed that the procedure had been flawed due to a rush to enforce the dismissal before the employee went on maternity leave.

Did you know?

Redundancy can be especially tricky where pregnancy is involved. Those on maternity leave have the right to be offered suitable employment positions above anyone else in a redundancy situation. However, there are plans to extend this right so that it begins once an employee notifies her employer of her pregnancy.

Employer offers non-smokers extra holidays

A Swindon recruitment agency has introduced a new policy that offers staff extra annual leave for not smoking. The employer introduced this policy to be 'fair to non-smokers' as staff who do smoke are allowed to take paid smoking breaks during the working day.

Did you know?

Employers are free to set their own rules on smoke breaks, including whether these are paid or not. Although some smokers may argue that they are discriminated against if they are refused the extra leave, smoking is not recognised as a protected characteristic under the Equality Act 2010.

It is important that employers understand their obligation to comply with these increased statutory rates from the relevant date, as a failure to do could result in enforcement action. Thankfully, our Advisory Service are on hand 24/7 to provide expert guidance and help ensure any statutory pay offerings remain compliant.

Please contact the 24 Hour Advice Service for advice on your specific situation before acting on the information in this publication.