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This Week in Employment Law

23-03-2020

New Job Retention Scheme announced

The government has outlined plans to help employers to retain staff during the coronavirus outbreak, avoiding the need for redundancies or lay-offs despite offering no work. Join us as we take a closer look at what is currently known about this scheme below:

- Employers can place employees on 'furlough', which means putting employees on temporary leave of absence but retaining them on the books to be brought back when needed. This is a new concept in UK employment law.
- The government will provide a grant that will cover 80% of furloughed employees' wages, up to a maximum of £2,500 per employee per month. This is initially expected to run for three months but may be extended.
- Current guidance states that the ability to furlough staff depends on their contract; contracts which contain the right to lay-off staff with no pay can likely be used to furlough employees.
- In the absence of a lay-off term, employers should ask employees to furlough – such an option is likely to be more attractive than a redundancy.
- Employers will need to decide which employees will be furloughed and submit that information to the HMRC, alongside each employee's earnings. More information on the online portal to use to submit the information is awaited from the government.
- Employees will need to be on the company PAYE in order for the employer to claim the grant for their wages.
- It is expected the first grants will be paid by the end of April 2020 and will be backdated to 1 March.

2020 gender pay gap reporting cancelled

As a result of the coronavirus outbreak, the government has confirmed that organisations will not need to publish gender pay gap reports on the usual deadline. For public companies, this was 30 March; for private companies, this was 4 April. This is due to the 'unprecedented uncertainty' being faced by businesses.

Did you know?

Organisations in the private, public and voluntary sector with 250 or more employees are usually expected to produce a gender pay gap report every year. Reports should provide information on the difference between hourly rates of pay for male and female employees. It is expected reporting will resume in 2021.

Supermarkets seeking temporary workers

Operators such as Tesco, Morrisons and ASDA are creating over 30,000 new jobs to cope with coronavirus demand and aid in stores and distribution centres. Recruitment procedures have also been streamlined to process applications, assess eligibility to work and interview candidates within a single day.

Did you know?

Where employers only have a temporary need for staff, they may choose to enter into a fixed-term contract. Fixed-term employees have the same statutory rights as other employees, including employment protection. They also have the right not to be treated less favourably than comparable permanent employees.

New IR35 rules postponed to April 2021

From 6 April 2020, certain private companies who use contractors through the use of a personal service company or other intermediary, such as an agency, were to become responsible for deducting and paying employment taxes of the contractor in question. Due to the coronavirus, this has been delayed a year.

Did you know?

Previously, the government had conducted a review into the expected changes due to concern expressed over how they would work in practice. Whilst these changes were confirmed to be going ahead regardless earlier this year, employers will now have longer to prepare for them.

Little information has been published regarding how the scheme will work in practice. It is also yet to be confirmed if it will apply to zero hours workers, although current information suggests it will try to cover as broad a group of people as possible. To keep up-to-date on all developments, give us a call using our 24 hour Advisory Service.

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