

City law firm offers staff permanent remote working for 20% pay cut

Employees of law firm Stephenson Harwood have been given the option to work from home full-time but in return they must take a 20% reduction in pay, we explore the implications for employers.

- For resourcing reasons during the pandemic, the firm recruited lawyers who lived outside of London, it said “the packages we offered were different from what we offer our people in London. They’re fully remote and are not expected to regularly attend the office. If they are needed in the office, we cover their travel and accommodation expenses.”
- A location premium is often paid to staff based in London to account for the higher cost of living in the Capital. The justification for offering home workers reduced pay appears to be that these workers have the benefit of living in less expensive parts of the UK. The policy also brings pay for existing staff who accept the offer in line with its new remote workers.
- A spokesperson for the firm said they don’t expect many employees to take up the offer as the company’s hybrid working scheme was suitable for most, employees already have the option to work up to 2 days a week remotely.
- Employers who want to make a similar offer to their employees to accept reduced pay in return for permanent home working, or hybrid working where only part of the employee’s hours are worked remotely, will need to carefully consider where their employees are currently based and how such a scheme would be implemented, to reduce the risk of claims for constructive unfair dismissal and discrimination.

Changes to Covid rules in Scotland

Scotland has, for the first time, changed its guidance on Covid testing and isolation. From 1 May 2022, anyone who has symptoms of a respiratory infection, including Covid, should stay at home and avoid contact with others until they feel better and don’t have a temperature. People are no longer advised to take a PCR test. Testing sites have closed and contact tracing has ended. Free lateral flow tests have already ended for most groups.

Did you know?

Also from 1 May 2022, the Scottish government has expanded its list of Covid symptoms. There are now over 10 symptoms on the list, bringing it more in line with guidance in the rest of the UK.

New data revealed on disability pay gap

A report from the Office for National Statistics (ONS) found that disabled workers earned almost £2 per hour less than non-disabled workers in 2021. The data shows that the disability pay gap widened slightly in 2021 to 13.8%, compared to the previous year, but the gap had narrowed compared to pre-pandemic levels in 2019. The biggest pay gap was seen in workers with autism with a pay gap of 33.5%.

Did you know?

A clear neurodiversity policy can help to close the gap, as well as providing reasonable adjustments. These should tie into wider initiatives to develop a genuinely diverse and inclusive workplace.

Voluntary redundancy is a dismissal

The Employment Appeal Tribunal (EAT) has confirmed that an employee who volunteers for redundancy can pursue a claim for unfair dismissal. It was made clear by the EAT that when an employee volunteers to be made redundant, they are agreeing to be dismissed as redundant. Therefore, it was not a resignation. The EAT remitted the case back to the tribunal for a full hearing of the evidence.

Did you know?

This case clearly demonstrates the need for a fair consultation process in redundancy situations, even where employees volunteer for it, as this is still a dismissal in law.

Offering employees the option to work from home in return for reduced pay could have a detrimental impact on an organisation’s ability to attract and retain new talent, particularly given the current desirability of remote working. Contact our 24-hour Advisory Service for up-to-date guidance on this and more.

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