In the KNOW

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This Week in Employment Law **26.09.2022**

HR implications of mini-Budget announcement

Last week the new Chancellor Kwasi Kwarteng delivered his mini-Budget statement to MPs setting out the government's plans to drive economic growth. We look at the key developments for employers.

- The 1.25% increase in National Insurance introduced in April this year will be reversed from 6 November 2022 and the Health and Social Care Levy of 1.25% due to be implemented from April 2023 will not go ahead. Employers should communicate the change to their workers and prepare to make the appropriate amendments to payslips.
- The government will legislate to require unions to put pay offers to a member vote and require minimum staffing levels during strikes.
- Universal Credit Claimants who earn less than the equivalent of 15 hours a week at National Living Wage rates will be required to meet regularly with their Work Coach and take active steps to increase their earnings or face having their benefits reduced.
- There will be a single higher rate of tax — 40% — with the additional rate of income tax scrapped. In addition, the basic rate will be cut to 19% in April 2023, one year earlier than planned. This will mean 31 million people getting on average £170 more per year, the Chancellor said.
- The 2017 and 2021 reforms to the off-payroll working rules (also known as IR35) will be repealed from 6 April 2023. From this date, Mr Kwarteng said, workers providing their services via an intermediary will once again be responsible for determining their employment status and paying the appropriate amount of tax and National Insurance contributions.

Government to review EU-derived employment laws

The government has published The Retained EU Law (Revocation and Reform) Bill which will automatically repeal any retained EU law unless new legislation is introduced to keep it. Laws which are not formally retained will automatically expire on 31 December 2023. As such, employers will need to keep a close eye on developments as the employment law landscape could look very different this time next year.

Did you know?

Laws that could change or expire include TUPE, the right to paid annual leave and the maximum 48 hour working week, agency worker regulations and part-time and fixed-term worker regulations.

Real Living Wage rates announced

The new Real Living Wage rates have been announced by the Living Wage Foundation earlier than usual this year in September rather than November. Participating employers still have until May 2023 to implement the rise, which sees hourly rates go from £11.05 to £11.95 in London and from £9.90 to £10.90 in the rest of the UK. This is the highest increase ever implemented, in response to the cost-of-living crisis.

Did you know?

The Real Living Wage is voluntary and should not be confused with the National Living Wage. Paying the Real Living Wage is one way employers can support their employees' financial wellbeing.

Tribunal finds employee with Covid was not disabled

The claimant was dismissed by Sense Scotland after testing positive for Covid-19 just over two weeks before. She claimed direct disability discrimination, however the tribunal found that she was not disabled at the time of her dismissal as the adverse effect of Covid on her ability to carry out normal day-to-day activities had only lasted two and a half weeks when she was dismissed. It was not therefore 'long-term' at that time.

Did you know?

Under the Equality Act 2010 the effect of an impairment is long-term if it has lasted or is likely to last for at least 12 months or it is likely to last for the rest of the person's life.

Employers have a tight timeframe to get ready for the reduction in National Insurance contributions and ensure their payroll teams are fully briefed on the changes. Contact our 24-hour Advisory Service for up-to-date guidance on this and more.

Let's talk **PHONE** 0800 015 4937