



Employment Law in 2016 – five things to look out for

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Staying on top of changes in employment law legislation is important for all businesses. Here are five things to look out for this year.

1. Exclusivity clauses in Zero Hours Contracts

Exclusivity clauses in zero hour contracts are unenforceable. From 11 January 2016 employees and workers will have the right not to be subjected to a detriment by the company to whom they provide services for failing to comply with an exclusivity clause. In addition, employees will have the right not to be unfairly dismissed for failing to comply with an exclusivity clause.

2. National Living Wage

From 1 April 2016, employers will need to pay staff aged 25 and over the National Living Wage (initially £7.20 per hour but expected to rise to around £9.00 per hour by 2020). Staff under 25 years old will continue to be entitled to National Minimum Wage (currently £6.70 per hour for those 21 years and over, £5.30 per hour for those aged between 18-20 years, £3.87 per hour for 16-17 year olds).

Employers that do not pay their staff the National Living Wage or the National Minimum Wage may be subject to penalties. On 1 September 2015, BIS announced that penalties for non-payment on the correct rates of pay will increase from 100% of the arrears to 200% of the arrears, up to a maximum of £20,000 per worker.

3. No increase to maternity, paternity, adoption or sick pay

This year, due to a fall in the consumer prices index, the rate of statutory maternity pay, paternity pay, adoption pay and sick pay will remain the same as last year.

- Statutory Maternity, Paternity and Adoption Pay – £139.58 per week
- Statutory Sick Pay – £88.45 per week

4. Making it harder for workers to strike

The Trade Union Bill 2015-2015 proposes reforms to the laws governing trade unions and industrial action. Consultations on the Bill closed in September 2015.

Measures proposed in the Bill include:-

- Requiring 50% of all eligible members to participate in a vote for it to be valid;
- For workers in “important public services” (such as transport or health services), industrial action will only be lawful where 40% of eligible members have voted in favour of the action proposed;
- A requirement to give employers at least 14 days’ notice of any industrial action (up from 7 days);

In addition to a consultation on the Bill, the Government have also published a consultation seeking views on the removal of the ban on the use of agency workers to cover strike action.

The Bill was scheduled for its second reading in the House of Lords on 11 January 2016.

5. Reporting on gender pay gaps

Despite the introduction of the Equal Pay Act in 1970, the pay gap between the genders still exists today. Research shows that female managers earn 22% less than their male counterparts. At director level, men's bonuses are twice as high as women's.

By 26 May 2016, businesses with more than 250 employees will be required to publish information about the difference in pay between men and women – including bonuses.

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