

Employment Law Update

Recent Changes

Settlement Agreements

Compromise agreements have been renamed settlement agreements. Settlement agreements are legally binding contracts that waive an individual's rights to make a claim covered by the agreement to an employment tribunal or court. They usually include some form of payment to the employee and may often include a reference. They are voluntary and can be offered at any stage of an employment relationship. The "without prejudice" rule still applies but additionally confidential conversations may take place where there is no employment dispute.

There are procedural safeguards set out in the new ACAS code of practice. These provisions don't relate to other types of claims such as discrimination or breach of contract or where there was an automatically unfair reason for dismissal

Collective Consultation on Redundancy

This involves the removal of 'at one establishment' in collective consultation. Collective consultation requirements are now imposed whenever an employer contemplates dismissing at least 20 employees within a period of 90 days on grounds of redundancy, regardless of the number of 'establishments' and irrespective of where those employees work.

Unfair Dismissal - Limit of Compensatory Award

This limits the unfair dismissal compensatory award to the lower of the existing £74,200 cap or 52 weeks' (one year's) gross pay (not including benefits in kind, pension contributions or discretionary bonuses). The new cap applies to all dismissals where the effective date of termination is on or after 29 July 2013.

Tribunal Fees

Employees now will have to pay to take their employer to tribunal. Tribunal fees will be charged in two stages, the first at the issue of the claim, and the second prior to the hearing

The amount of the issue fee depends on the type of claim being brought - for Type A claims (which includes claims for unpaid wages, unlawful deductions from wages, holiday pay, pay in lieu of notice, breach of contract and redundancy payments) it is £160 and then £230 prior to hearing. For Type B claims (which includes unfair dismissal and discrimination claims) it is £250 and then £950 prior to hearing. There is a fee remission system for those on benefits or low income.

Employee Shareholder Scheme - effective 1st September 2013

Employee shareholder status is a new type of employment status. The employee will be given shares in the Company in return for giving up various employment rights including unfair dismissal (apart from automatically unfair dismissals, health and safety dismissals or dismissals amounting to unlawful discrimination) and statutory redundancy payment.

National Minimum wage rates - 1st October 2013

21 and over £6.31 per hour

18 - 20 year olds: £5.03 per hour

Under 18 year olds: £3.72 per hour

Apprentices: £2.68 per hour

Early Conciliation - April 2014

Early conciliation is due to be introduced in April 2014 and will make it mandatory to contact ACAS before most potential claims can be made to an employment tribunal and to consider resolving a dispute outside of employment tribunal with the help of an ACAS conciliator.

Flexible Working - Spring 2014

The Government proposes to extend the right to request flexible working to all employees. They will remove the current statutory procedure for considering requests. Instead employers will have a duty to consider all requests in a reasonable manner; however, business will have the flexibility to refuse requests on business grounds. Currently, employees must have a child aged under 17, or under 18 in the case of a disabled child or be a carer of a specified adult.

Christmas Party Warning

Top tips on dealing with the staff Christmas Party

Alcohol: for those that drink it's nice to have a glass of something to celebrate, but warn everyone there's no need to go overboard. Keep an eye out, it's illegal for under 18's to drink. You, as the employer could end up the one in trouble and not just with their mother!

Religious sensitivities: Christmas takes the UK by storm every year, however bear in mind not everyone celebrates the holiday, but do make sure to include everyone.

Timing: More and more businesses are waiting until January to have a get together. Planning for January can give you and your staff something to look forward to after the Christmas madness has died down.

Secret Santa: It's a great way to keep costs down and get everyone involved, but beware of inappropriate gifts! Some people may not see the funny side.

Behaviour: Obviously you hope common sense prevails but the term "Christmas Party" seems to do odd things to people. If something inappropriate happens at a work function, take a deep breath, don't sack them on the spot (however tempting) and note down what happened and speak to me at the HR Dept and I will guide you through it.

If you have any questions on any of these changes, please get in touch with

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