

## Employers' Employment Facts & Stats update

April 2015



Hello, and welcome to our April 2015 Employers Facts & Stats update.

I'm Carole Thomson and I founded HR Support for Business to give small and medium businesses access to a trusted and straightforward HR and health and safety advice and support service when they need it. With so many changes in the world of Employment Law, it is a full time job just keeping up to date. Therefore to help, I provide this brief overview of the basic employment facts and statistics.

### National Minimum Wage

The National Minimum Wage (NMW) rate is dependent on age and whether your employee is an apprentice. To qualify for the NMW a person must be school leaving age.

In brief, whether a person is considered school leaving age will be dependent on exactly when in the year they were born. It is always best to check.

The NMW is usually updated every October. The rates below are as from 1<sup>st</sup> October 2014 and are currently valid. If you would like law updates as they happen then please just register here [HR Newsroom](#) | [HR Support for Business](#)

	21 & over	18-20	16-17	Apprentice*
Current rate	£6.50	£5.13	£3.79	£2.73

*\*Important note: the apprentice rate is for those who are 16-18, and those who are 19 or over, but who are in their first year. Otherwise the apprentice would be entitled to the NMW for their age.*

Not to pay the national minimum wage carries high penalties for employers. You may have read in our Employer's Newsletter the financial penalty is now 100% of the total NMW underpayment and a minimum £100 and a maximum £20,000 penalty per employee. And this must be paid in full within 28 days.

This level of penalties could quite simply put a small business out of business.

Although not compulsory, the National living Wage is currently set at £7.85 per hour.

### Statutory payments rise

**April nearly always sees an increase to statutory rates. Whilst we were all on Easter break the rates increased from 6<sup>th</sup> April 2015 to:**

- Statutory Sick pay is now £88.45 per week.  
*Note: the ability for small businesses to reclaim a proportion of the SSP bill from HRMC is no longer possible (prior to 6 April 2014 employers could reclaim SSP exceeding 13% of National Insurance contributions).*
- Statutory Maternity, Adoption, Paternity pay are now £139.58 per week, or 90% of average earnings if less.
- Statutory Redundancy pay is now £475 per week, or the employee's weekly pay, whichever is less.
- This will increase the maximum basic statutory payments for an unfair dismissal award and the maximum statutory redundancy payment to £14,250.
- And the maximum compensatory award for unfair dismissal will now be £78,335.

### Qualifying periods

	Compensation limits	Qualifying period	Time limits to bring a claim
<i>Unfair dismissal</i>	The lower of £78,335 & annual salary (see above)	2 years, 1 year if employed prior to 6 April 2012	3 months from the Effective Date of Termination (EDT)
<i>Breach of contract (wrongful dismissal)</i>	Tribunal: £25,000 High/County Court: No limit	None	3 months from the EDT and 6 years from breach
<i>Redundancy pay</i>	£14,250 (30 weeks pay)	2 years	6 months from EDT

*Please remember Tribunal claims are now subject to Compulsory pre-claim conciliation (see our [Latest Newsletter](#) | [HR Support for Business](#)) for more info.*

# Maternity, Adoption, Paternity and Parental Leave

New parents of babies born or adopted following 5<sup>th</sup> April 2015 now have a new right to Shared Parental Leave. This is a complex legislation for employers to manage so if you would like more information please read:

<http://hrsupportforbusiness.co.uk/the-new-shared-parental-leave-top-10-questions-answered/> or contact us.

	Rate	Entitlement
Statutory maternity (SMP)	6 wks: 90% average earning then (See page 1 for current rate).  Paid for 39 wks in total.	All employees have the right to 26 wks Ordinary Maternity Leave followed immediately by 26 wks Additional Maternity Leave
Statutory Adoption (SAP)	6 wks: 90% average earning then (See page 1 for current rate). Paid for 39 wks in total.	All employees are entitled to 26 wks Ordinary Adoption Leave followed immediately by 26 wks Additional Adoption Leave.
Ordinary Statutory Paternity pay	Maximum of 2 weeks at current statutory rate (See page 1 for current rate).	To be completed within 56 days of birth/placement.
Shared Statutory Paternity pay	All paid at the statutory rate (See page 1 for current rate). No entitlement to share the first 6 wks at 90% of average earnings	May share up to 50 weeks of partner's adoption or maternity leave
Parental leave	18 wks unpaid leave for children (birth or adopted) Up to 18 years old. (See page 1 for current rate).	All employees with parental responsibility. Leave must be taken in 1 wk blocks (disabled multiples of 1 day) Max 4 wks per annum Each parent has the right in respect of each child.

## Calculating redundancy pay

One & a half weeks pay	Each full year of employment in which the employee is aged 41 & over
One week's pay	Each year of employment in which an employee is aged 22 to 40
Half a week's pay	Each full year of employment in which an employee is aged 21 & under
Maximum weekly pay	£464 (see above)
Maximum number of years	Last 20 full years worked

## Statutory Notice periods

**Employers:** Statutory minimum notice will override any contractual notice within an Employee's Contract of employment if greater.

In other words, whatever the contract may state, below is the minimum notice you must give to an Employee.

The Statutory minimum notice is set out in the Employment Rights Act 1996 s 86(1) and currently is:

Continuous employment (in full years)	Min Statutory notice
Less than 2 years but at least one month	1 week
At least 2 but less than 3 years	2 weeks
At least 3 but less than 4 years	3 weeks
At least 4 but less than 5 years	4 weeks
At least 5 but less than 6 years	5 weeks
At least 6 but less than 7 years	6 weeks
At least 7 but less than 8 years	7 weeks
At least 8 but less than 9 years	8 weeks
At least 9 but less than 10 years	9 weeks
At least 10 but less than 11 years	10 weeks
At least 11 but less than 12 years	11 weeks
12 or more weeks	12 weeks

**Employees:** The statutory minimum notice to be given by an employee to an employer is set out in the Employment Rights Act 1996 s 86(2) and is:

Continuous employment	Min Statutory notice
At least one month	1 week

As you can see, the statutory notice to be given by Employees to Employers does not increase with length of service. So it is important to include this in your contracts if you have a business need for a longer notice period.

## HSE's new Fee for Intervention (FFI)

Most of you will be aware the HSE introduced FFI from 1<sup>st</sup> October 2012. The current fee payable by duty holders who are found to be in material breach of the law is **£124 per hour**. The total bill you may face will be dependent on just how long it takes the HSE to identify and conclude its regulatory action (including any associated office work).

## We hope you find this overview useful

If you have any queries or you would like to discuss how **HRSfB** could help you please contact us.

We understand cost is always an important issue for a small business so we offer an initial:

**Free 30 Minute consultation** to discuss any HR or health and safety issues you may have.

T: **01295 788579 / 078994 25916**

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[www.hrsupportforbusiness.co.uk](http://www.hrsupportforbusiness.co.uk)

Or we have developed new HR and health and safety employer resources. **The Compliance Boxes**. Click on the link below to see how they could help you.

<http://hrsupportforbusiness.co.uk/hr-e-store-providing-hr-resources-for-small-employers/>