



Employment Facts & Stats update

October 2015



Hello, and welcome to HRSfB's latest Employers Facts & Stats update.

Sometimes all businesses and fellow professionals need a little extra help, but cannot justify a permanent hire. As a Senior Freelance HR Consultant I formed HRSfB to meet these temporary business needs. Giving you easy access to either the HRSfB Ad hoc HR Service or, the HRSfB HR Retainer Service. Either way giving you, the employer, access to a trusted and straightforward HR advice and support service. Knowing it is a full time job to keep up to date with so many changes in the world of Employment Law, I provide this brief update to help you more easily keep up to date.

Regards Carole Thomson FCIPD, Tech IOSH

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. Here are the rates as from 1st October 2015.

If you would like law updates as they happen then please just let me know [HR Newsroom](#) / [HR Support for Business](#)

	21 & over	18-20	16-17	Apprentice*
Current rate	£6.70	£5.30	£3.87	£3.30

The Accommodation off-set has also been increased to £5.35 per day.

**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.*

Overall this has been reported as the largest 'real term' increase in the NMW since 2007.

Not to pay the NMW still carries high penalties for employers. 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 outside of London and £9.15 within London. This voluntary scheme must not be confused with the Government's compulsory scheme for over 25s due in April 2016. [Read more here.](#)

Statutory payments

April 2015 saw the last increase to statutory rates.

- Statutory Sick pay is £88.45 per week
- Statutory Maternity, Adoption, Paternity pay are £139.58 per week, or 90% of average earnings if less.
- Statutory Redundancy pay is £475 per week, or the employee's weekly pay, whichever is less.
- Increasing 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 is £78,335.

Qualifying periods

	Compensation limits	Qualifying period	Time limits to bring a claim
Unfair dismissal	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
Breach of contract - wrongful dismissal	Tribunal: £25,000 High/County Court: No limit	None	3 months from the EDT and 6 years from breach
Redundancy pay	£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 [April 2015 Newsletter | HR Support for Business](#)) for more info.

Maternity, Adoption, Paternity and Parental Leave

Parents of babies born or adopted following 5th April 2015 have the right to Shared Parental Leave. This is a complex legislation for employers to manage so if you would like more information please read:

[The new Shared Parental Leave – top 10 questions answered | HR Support for Business](#)

	Rate of Statutory pay	Leave Entitlement
Statutory maternity & Adoption	6 wks: 90% average earning then statutory pay (See page 1 for current rate). Paid for 39 wks in total.	All employees have the right to 26 wks Ordinary Leave followed immediately by 26 wks Additional Maternity Leave
Ordinary Statutory Paternity	Statutory pay (See page 1 for current rate).	1-2 consecutive weeks. To be completed within 56 days of birth/placement.
Shared Statutory Parental leave	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 up to 18 years old. (where you are the legally deemed parent) (See page 1 for current rate).	All employees with parental responsibility. Leave must be taken in 1 wk blocks (unless the child is disabled then 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, this 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 years	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

Statutory notice does not increase with length of service. It is important therefore to include this in your employment contracts if you have a business need for a longer notice period to be given by your employees.

HSE's Fee for Intervention (FFI)

First introduced by the HSE in 1st October 2012, the FFI remains at **£124 per hour**. With the total bill dependent on how long it takes the HSE to identify and conclude its regulatory action (*including any associated office work*).

Finally, I hope you found this useful

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

I know cost is always an important issue for a small business so I offer an initial:

Free 30 Minute no obligation telephone consultation

So we can discuss your HR or health and safety issues and needs and how I may help

T: **01295 788579 / 078994 25916**

carole@hrsfb.co.uk
www.hrsupportforbusiness.co.uk

And if you need easy access to employment contracts, or employment and health and safety handbooks – and the forms specifically designed to manage the lifecycle of your employees why not check out:

[HR Resources for Employers | HR Support for Business](#)

 **HR Support for Business**
A simple and affordable solution to HR

Call: 078994 25916 / 01295 788 579
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