

## Employment law 2024, what's changing?



There are several changes to employment law which employers should be aware of this year. Here is our round up of the key changes and some of the other issues on the horizon and timings to be aware of.

### National Living Wage rise

From April 1, The National Living Wage rises take effect:

- 21 to 22: Current £10.18, new rate – £11.44
- 18 to 20: Current £7.49, new rate – £8.60
- Under 18: Current £5.28, new rate – £6.40
- Apprentices: Current £5.28, new rate – £6.40

For those aged 23 and over, the current rate is £10.42 and new rate is yet to be announced.

### Family leave pay rates rise

There will also be a change to several pay rates for family leave which also comes into force from 1 April, and the rate will increase for all from £172.48 per week to £184.03.

This increase applies to statutory maternity and paternity pay, statutory adoption pay, shared parental leave and statutory bereavement pay.

### Statutory sick pay rise

Also from 1 April 2024, statutory sick pay rises from £109.40 per week to £116.75.

### Carer's leave

From 6 April 2024, employees can from day one of their employment request one weeks' unpaid leave per year to provide or arrange care for a dependent. A dependent could include a partner, child, parent or person living in the same house as the employee and who relies on them.

Leave can be taken as a block or as partial or full days depending on the need.

### Flexible working requests

Legislation which comes into force on 6 April 2024 means employees can now make two requests for flexible working instead of one in any 12-month period. This can also be made from their first day of working with the employer rather than needing at least 26 weeks continuous employment. The employee will no longer need to explain what effect the request

might have on the employer or suggest how it might be dealt with.

Employers cannot refuse a request for flexible working unless the employee has first been consulted. Employers will also have to make their decision within a shorter period – two months instead of three unless they agree with the employee a longer period to decide.

### Tips

A law expected to come into force in July 2024 is The Employment Allocation of Tips Act. Employers will not have to make sure that tips are allocated fairly to all workers including agency workers which must be paid by the end of the month in which it was paid.

An employer can alternatively pay tips to an Independent Tronc Operator which then allocate the tips to workers. Accountants say PAYE on tips will be the responsibility of the worker and they may need reminding of this. Employers will need to have a written policy which covers how they deal with tips, how they will be allocated and record how much was received.

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### Pregnancy and redundancy

Still awaiting an implementation date is The Protection from Redundancy (Pregnancy and Family Leave) Act which was passed in May 2023.

This Act will increase the entitlement to being offered suitable, alternative employment which a vacancy exists from the date of the notification of the pregnancy for up to 18 months after the birth (or adoption).

### Sexual harassment

On 26th October 2024 there will be an amendment to the Equality Act 2010 which means employers have a new duty to take reasonable steps to prevent the sexual harassment of their employees during their employment. Employment tribunals will also have the power to increase the compensation paid by up to 25% in cases where the employers breach this duty.

### Working Time Regulations, Holiday Pay and TUPE

The Employment Rights (Amendment, Revocation and Transitional Provision) Regulations 2023 which cover changes to holiday pay, TUPE and working times are due to come into force in the first quarter of 2024 and there are several changes which employers should be aware of. These include:

- Rolled-up holiday pay for irregular hours and part-year workers.
- Holiday accrual for irregular hours and part-year workers which is based on 12.07% of the hours they worked in the previous pay period.
- More simplified record-keeping for daily working hours.
- Allowing holiday to be carried over in some circumstances.
- TUPE consultations policies for businesses with fewer than 50 employees.

### Miscarriage Leave

One bill which has not yet made it to its second reading is the Miscarriage Leave Bill. It was hoped to introduce three days of paid leave for women who had experience baby loss before 24 weeks. Employers may want to consider their own policy on helping their employees deal with this type of devastating loss.

Employers are advised to make sure their employment policies and procedures are up to date to deal with both the imminent legislation as well as that where timings are still to be confirmed.



# Flexible working requests

As highlighted in our round up of 2024, flexible working regulations change from 6th April 2024. Here is a reminder for employers regarding dealing with flexible working requests now.

All employees have the legal right to request flexible working known as making a statutory application. After 6 April 2024, employees will be able to make this request from day one of their employment instead of having to wait at least 26 weeks to be eligible.

From this date, employers will also be required to deal with the request within two months and discuss with the applicant before refusing the request.

There are many different types of flexible working and whilst it might be a new concept for many businesses there is much evidence that it works well and can be rewarding for both the employer and the employee.

**Job sharing** – two people doing one job and sharing the hours and the duties.

**Working from home** – something which many of us have all got used to since the pandemic.

**Part time** – Working shorter or fewer days.

**Compressed hours** – working full time but over fewer days for example a four-day week.

**Flexitime** – working flexible start and end times within an agreed limit but working certain core hours each day.

**Annualised hours** – working a specific number of hours each year but having flexibility around when they work, typically core hours each week which are topped up throughout the year.

**Staggered hours** – having a different start, finish and break time to other workers.

**Phased retirement** – rather than losing older workers, allowing them to reduce the number of days or hours they work in anticipation of retirement.

To request flexible working, the employee needs to write to the employer. The employer then has three

months to consider it (from 6th April, two months or longer if the employee agrees). If they do agree then the employees contract terms and conditions need to be updated to reflect the change. If the employer refuses, they must discuss the reasons why with the employee first.

Currently an employee can make one request per year for flexible working and from 6th April, employees can make two requests. Employees can also withdraw their application and the employer can treat it as being withdrawn if they miss two meetings to discuss the application.

If the application is agreed, the employer should write to the employee with a statement of the agreed changes and a date for the arrangement to begin.

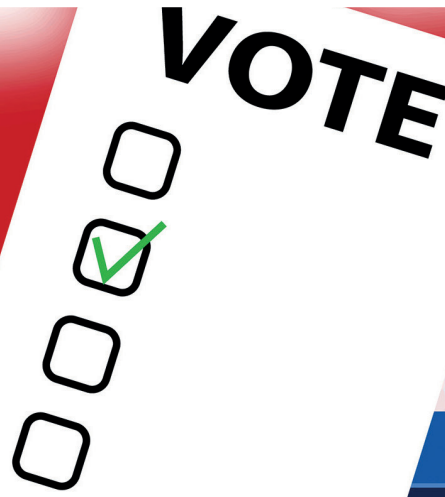
There are several reasons why employers typically reject an application:

- The extra costs are prohibitive or damaging for the business.
- The work cannot be reorganised with other staff.
- People cannot be recruited to do the work.
- Flexible working will affect work quality and business performance.
- The business will not be able to meet customer needs.
- There is a lack of work to do during the proposed working times.
- The business is planning making changes to the workforce.

If an employee wants to appeal a decision, they must follow the company's procedures. An employee may complain to an employment tribunal if the employer doesn't handle the request in a reasonable manner (or from April the two-month timeframe), the application is wrongly treated as withdrawn, the employee is dismissed or treated unfairly because of their request, or the application is rejected based on incorrect facts.

Employers need to prepare for the changes in April and we are happy to help review policies to create a happy and productive working environment, so get in touch with our team today.

# Politics



## Can you keep political discussions out of the workplace?

**With 2024 likely to be a General Election year here in the UK, employers might want to think about how a change in government might immediately affect their business operations. For example, will there be a shake-up of workers' rights and could zero-hours contracts be banned, will there be an end to fire and re-hire practices or will there be changes to statutory pay rates to factor into your financial forecasting.**

Employers may also want to think about policies to help protect company culture and values and to prevent squabbles amongst employees with different political views. It is hard to keep local, national and international politics, (don't forget the US elections in November), out of the workplace, so some guidance for all might be useful.

It is worth bearing in mind that in recent years there has been a growing trend for people to bring their 'whole self' to work and this is where grey areas arise for employers. People may outside of the workplace can be very active on social media and express certain opinions and might expect that they can also continue this into the workplace.

### **Can we create a 'no politics' policy in our workplace?**

Yes, but before you try to enforce a politics free workplace, you need an official company policy. This should cover everyone in the business, from the top down and it should also apply to all workers, regardless of whether they are full time, part time, working in the office or remotely.

For a policy to be effective it needs to cover not just discussions during working hours. You may also want to extend it to cover wearing items to work with political messages, slogans, badges and even displaying support around the office/company vehicles in poster form. A dress code policy can help to set this out. It should also cover use of the organisation's resources, expressing views to customers and suppliers, coercive behaviour towards others, mocking the opinions of others or implying an organisation's support for a particular party or cause.

### **Can we encourage employees not to get into political discussions?**

Yes, and to help do this it is advisable to hold training sessions for all employees which covers the new policy, explain why you have introduced it, discuss what they think about it and give them information and possibly even a script to follow if a co-worker, customer or supplier wants to engage on this subject and they don't.

Work should be a space where people can just focus on their work without having to get into heavy discussions about a range of subjects, so making it clear that it is ok not to keep trying to engage in certain conversations is helpful to all.

### **Are we too late to have a politics free workplace?**

It is never too late to try, even when you have previously allowed or encouraged political talk in the workplace, however you need to be realistic about whether you will actually succeed.

There will be situations which will test your policy and where employees go too far. In these situations, consider:

What is the political statement being made, how is it being made, is it unauthorised and inconsistent with their role and the overall values of the business or is it being expressed in a violent manner?

Unless it is being done in a violent manner then employers need to consider what action they can take to try and restore harmony.

For example, would it be helpful to speak to the employee to emphasise the need for respecting the views of others and can they be redirected to focus on their role. Some people just get carried away and need reminding what you are trying to achieve.

Outside of the workplace employers are limited on the control they can exert over their employees' political beliefs and can typically only act if their action brings the employer into disrepute.

A review of your policies will in the first instance will help to provide clarity in this situation and taking legal advice before you take any action against an employee is advisable.

# The Economic Crime and Corporate Transparency Act 2023

The Government aims to introduce the first set of changes under the new Act on 4 March 2024, following the Economic Crime (Transparency and Enforcement) Act 2022. The Act came into law in 2023 and saw the establishment of a new Companies House register of overseas entities that own real estate in the UK. Some first changes introduced by the Economic Crime and Corporate Transparency Act include:

## Identification of individuals

A new identification process has been implemented for those wishing to set up, run, own or control a company or other registered business in the UK, including all directors and people with significant control. All existing companies, all directors (or equivalent) and PSCs will have a transition period to verify their identity with Companies House, but all individuals will need to have their identity verified before registration.

The requirements will extend to anyone acting on behalf of a company or registered business before they will be allowed to file information with Companies House.

## Director Requirements

There will be additional requirements for directors. For example, anyone who is subject to sanctions under the Money Laundering Act 2018 will not be allowed to act as a director of a company or be involved in the promotion, formation, or management of a company without permission from the court. If a director is disqualified under UK legislation, they will automatically cease to hold the position and there will be no protection from liability if they continue to act.

Directors can also be disqualified for repeated non-compliance with companies' filing obligations or any identification requirements, such as those described above.

## New Company Registrations

Registering a company will now require a statement that it is being formed for lawful purposes, and it will need to include a statement that none of the company's

subscribers, officers or persons with significant control are disqualified as directors, or if they are then they have the permission of a court to act in that capacity.

## Appropriate Registered Office Address

From 4 March 2024, there will be new requirements for the appropriateness of a company's registered address, to ensure that documents addressed to the company and delivered by hand or post will be received by someone acting on the behalf of the company and that delivery can be recorded with an acknowledgement of delivery.

A company will not be able to use a PO Box as a registered office address in the future and Companies House has said it will take action against companies that do not have an appropriate registered office address.

The company will also need to maintain an appropriate email address which will also come to the attention of a person acting on behalf of the company with the expectation that documents can be emailed to them.

## Shareholder information

Private companies will have to provide the full name of their members on the Companies House register instead of just keeping a register of members themselves. Individuals will be able to apply to have information about themselves hidden from public view and suppress information from historical documents, but there will be limitations to this.

## Company Accounts

There will be a transition towards filing accounts by software only.

For smaller companies there will be changes to make filing obligations clearer and to require them to file a profit and loss account and directors' report instead of abridged accounts or audit exemption claims.

The rules for Limited Partnerships will also change, adding increased reporting requirements for specific information regarding the partners or proposed partners, registered office and identity information for individuals, general nature of the business and email address for contact. They will also need to file through authorised agents.

## Quick reference section

### Statutory minimum notice periods:

An employer must give at least:

- One week's notice to an employee who has been employed for one month or more, but less than two years.
- One week's notice for each **complete** year of service for those employed for more than two years.
- Once an employee has more than 12 year's service, the notice period does not extend beyond 12 weeks.

### National Minimum Wage

	April 23	April 24
Apprentices	£5.28	£6.40
16-17	£5.28	£6.40
18-20	£7.49	£8.60
21-22	£10.18	£11.44
National living wage	£10.42	£11.44

### Statutory Sick Pay

Per week	£109.40 (from April 2023)
Per week	£116.75 (from April 2024)

### Statutory Shared Parental/Maternity/Paternity/Adoption Pay (basic rate)

£172.48 (from April 2023)
£184.03 (from April 2024)

### Statutory Holiday

5.6 weeks for a full time employee. This can include bank and public holidays.

### Redundancy Calculation

- 0.5 week's pay for each full year of service when age is less than 22.
- 1 week's pay for each full year of service where age during year is 22 or above, but less than 41.
- 1.5 week's pay for each full year of service where age during year is 41 and over.

Calculation is capped at 20 years. Maximum week's pay is capped under the Statutory Scheme for dismissals after 6<sup>th</sup> April 2023 at £643.00. A new figure from April 2024 is still awaited.



## CONTACT

If you would like any additional information on any of the subjects discussed in this newsletter please do not hesitate to contact us.



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