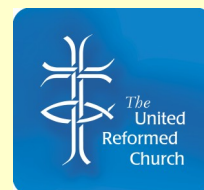


# Employment Update

## August 2011 - Issue Two



**Welcome...** to the second edition of the *Employment Update Newsletter* from the HR office at Church House in London. We hope that you found the last update helpful and informative. The updates have been designed to give you a snapshot of what has occurred in employment law recently and what is coming up over the next year. In order to understand the changes coming up later this year and in 2012 it is therefore important to consider the major changes that have already occurred since the last Newsletter was issued in February 2011...

### Major Changes to Employment Law since February 2011

- **Employment Tribunal Award Limits & Redundancy Payments** - increased from 1st February 2011. The maximum compensatory award for unfair dismissal rose from £65,300 to £68,400; and the maximum week's pay from £380 to £400 - this figure is used for calculating statutory redundancy payments.
- **Additional Paternity Leave** - came into force on 3<sup>rd</sup> April 2011, which allows eligible employees to take additional paternity leave up to a maximum of three months paid at the statutory rate and three months unpaid. This allows the father (or mother's partner) to take part of the mother's maternity leave, to allow the mother to return to work.
- **Default Retirement Age (DRA)** - is now being phased out (since 6<sup>th</sup> April 2011). An employer who has already issued a notification of retirement before this date will be able to retire the employee if he/she is 65 before 30th September 2011. It is vital that the correct process must be followed to comply with the transitional arrangements — please see <http://www.acas.org.uk/index.aspx?articleid=3203> for more information. Employers can now only have a compulsory retirement age if they can objectively justify it.
- **Right to Request Flexible Working** - was due to be extended to parents of children under 18 from 6<sup>th</sup> April 2011 (parents of children under 17, or under 18 if disabled, are entitled to request flexible working). The Government has announced that this will now not happen.
- **Right to make a request in relation to study or training for organisations with fewer than 250 employees** – was due to be introduced on 6<sup>th</sup> April 2011. The Government has announced that this will now not happen.
- **The Bribery Act 2010** - came into force on 1<sup>st</sup> July 2011 and aims to promote anti-bribery practices amongst businesses.
  - There are two general offences: the first covers the offering, promising or giving of a bribe (reward) - active bribery; and the second is passive bribery - requesting, agreeing to receive, or the accepting of a bribe (reward). The Act will make it a criminal offence to give, promise, or offer a bribe; agree to receive or accept a bribe either at home or abroad.
  - Organisations (including charities – to cover employees who could potentially accept a bribe from an outside organisation) will need to take steps to address the risks of bribery; they will need to demonstrate that they have put clear, practical bribery prevention policies and procedures in place.
  - The HR Office at Church House is currently putting together an Anti-bribery Policy which will be available shortly for Synod use - please contact us if you would like a copy.



*Disclaimer: The information provided in this newsletter is for general legal information purposes only and should not be used to substitute professional legal advice. We strongly recommend that you always seek specific legal advice in all circumstances.*

**Ruth Pullen**  
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### Forthcoming Changes in Employment Law: September – December 2011

- **The Agency Workers Regulations 2010** - are due to come into force from 1<sup>st</sup> October 2011. Temporary agency workers will receive equal treatment to comparable permanent employees after 12 continuous weeks in a job. They will be entitled to the same pay and work time protections (e.g. - rest breaks) as a comparable permanent employee. Pay includes being eligible to receive performance-related bonuses as well as any overtime payments. Other payments — such as pension contributions, occupational sick pay, maternity or paternity pay, etc will not apply. It is important that employers start liaising with their agencies now, to ensure that by October they will comply with the regulations.
- **National Minimum Wage** - will increase from 1<sup>st</sup> October 2011. The standard adult rate to £6.08, the development rate (for workers aged 18-20) to £4.98, the youth rate (for workers aged 16-17) to £3.68 and the apprentice rate to £2.60 per hour.

### Further Changes in Employment Law: January – October 2012

- **Extra bank holiday** - The Queen's Diamond Jubilee will be marked with an additional bank holiday on Tuesday 5th June 2012. The late May bank holiday will be moved to Monday 4th June to create a long weekend.
- **The Pensions Bill 2011** - will come into force from October 2012 and will be gradually introduced depending on how many staff you employ.
  - All employers must offer a qualifying workplace pension scheme and automatically enrol eligible employees (those earning more than the personal income tax allowance of £7,475 per annum).
  - Employers must contribute at least 3% of an employee's qualifying earnings (this will be introduced gradually, with a requirement to pay 1% from 2012, 2% from 2013 and 3% from 2014).
  - Staff will be allowed to opt out of schemes, in which case, employers will no longer be liable for paying contributions.
  - Employers will be able to self certify that their existing workplace pension schemes meet the minimum requirements set out by the act.
  - A new Government sponsored pension scheme (called Personal Accounts) will be available for employers to join if they do not have a existing eligible pension scheme already in place.



To find out when you will need to provide an pension scheme for your employees and for more information please see: <http://www.thepensionsregulator.gov.uk/pensions-reform.aspx>

Don't forget - if you currently have 5 or more employees you must already provide access to a pension scheme. For more information please see: [http://www.pensionsadvisoryservice.org.uk/personal\\_and\\_stakeholder\\_pensions/employer\\_access](http://www.pensionsadvisoryservice.org.uk/personal_and_stakeholder_pensions/employer_access)