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15 February 2024

New Year, new rules for employers

As the festive period quickly fades into the background, employers are starting 2024 faced with the prospect of understanding and adapting to the most significant year of change in employment law that we've seen for some time.

Over the course of two articles, we'll look at Employment law changes we can expect throughout 2024. In this first article we'll look at the changes due to come into effect in the first half of 2024 and in the second article, we'll turn our attention to the second half of the year.

1 January 2024 Holiday entitlement and pay

Already, we have seen new laws take effect and government guidance published on the use of rolled up holiday pay and how to calculate holiday entitlement for part year (eg. term time) and irregular hours workers (eg. those whose hours fluctuate from week to week). These changes will apply to holiday years beginning on or after 1st April 2024.

The changes also give effect to some principles from current EU case law regarding the carry-over of holiday entitlement into the next holiday year if it can't be taken due to family leave or sick leave. It also confirms that the first 4 weeks of holiday pay for workers should be based on their "normal remuneration" and include elements such as regular overtime, commission and other work-related allowances.

TUPE transfers – requirement to elect employee representatives

For any transfers scheduled to take place on or after 1st July 2024, where the employer has fewer than 50 employees or, where the transfer involves fewer than 10 employees transferring, employers will have the option of informing and consulting with the transferring staff directly rather than via employee representatives (if no existing representatives such as a recognised Trade Union are in place).

8 March 2024

Paternity leave changes

Regulations have been laid before Parliament this month to provide greater flexibility in how the entitlement to two weeks' paternity leave for fathers/partners is taken.

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Currently, leave has to be taken in a continuous block of one or two weeks but, where the expected week of childbirth (or date of placement in adoption cases) is after 6th April, there will be the option of taking the leave as two non-consecutive blocks.

There will also be the opportunity to take the leave any time within the first year after birth or placement rather than being constrained to it being taken in the first eight weeks as is currently the case.

1 April 2024

National Minimum Wage increases

April sees the latest increase to the National Minimum Wage and some important changes for employers to be aware of. The rate of the National Living Wage increases by £1.02 per hour to £11.44 and significantly, that rate now applies to all workers aged 21 and over. Previously the National Living Wage rate applied to workers aged 23 and over.

There are also increases of £1+ per hour to the Apprentice and Young Worker rates (up to £6.40) and the Development rate for 18-20 year olds (up to £8.60).

The increases are good news for employees in minimum wage level roles struggling with the cost of living but will see significant cost increases for employers who pay at minimum wage levels.

At the time of writing, we're still awaiting confirmation of the annual increase to other statutory payments and compensation limits.

6 April 2024

Flexible working changes

The right to make a flexible working request will become a day one right from 6th April removing the previous requirement for an employee to have 26 weeks' service. Employees will also have the right to make two requests in any 12-month period rather than one.

The timescales for employers considering the requests will decrease from 3 months to 2 and employees no longer have to explain the impact their request will have – that duty will fall on the employer.

Employers will still be entitled to refuse a flexible working request by relying on one or more of the 7 possible business reasons provided for in the Regulations.

Carer's leave

A new statutory right is being introduced which allow carer's the right to one week's unpaid carer's leave a year. Employees who are providing or arranging care for a dependent with a long-term care need. The leave can be taken in either individual days or half days up to a block of one week.

Family-friendly protection from redundancy

Currently, parents on maternity, adoption or shared parental leave are entitled to be given priority over any suitable alternative vacancies that might exist if they are selected for redundancy. This protection is being extended so that pregnant employees will enjoy the same right from the point they inform their employer of their pregnancy.

In addition, those on family leave will enjoy an extended right so that it applies for 18 months from, in the case of maternity leave, the expected week of childbirth or date of birth if notified or, in the case of other leave, the date of birth or date of placement.

Comment

Daniel Gorry, Director in our Employment team comments: "With further changes scheduled to come in the second half of the year, employers and HR teams will face a busy start to the year revising their policies and procedures to ensure that they are ready for these changes taking effect. Advice will also need to be taken on how to deal with these changes in practice as employers and employees try to become accustomed with the new rules."

If you would like further information on any of these changes, please contact: Daniel Gorry, Director, Employment Law E: <u>danielgorry@lindsays.co.uk</u>; T: 0141 302 8373

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