

Are you ready for April 2020?

With a number of employment law changes already lined up or expected to take effect in April 2020, a little reminder of what is to come will help ensure that you can take the steps needed to prepare.

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April? We've still got Diwali, Halloween, Bonfire Night, Mawlid, Hanukkah and Christmas to name but a few – and that's just this year! But with a number of employment law changes already lined up or expected to take effect in April 2020, a little reminder of what is to come will help ensure that you can take the steps needed to prepare:

Statements of Particulars

From 6 April 2020:

- the obligation to provide a written statement of particulars will extend from employees only to employees and workers;
- the one-month service requirement to qualify for the right will be removed – there will be no minimum service required at all;
- the majority of the written statement must be provided in one document on or before the first day of employment/work, rather than within the first two months; and
- the information that needs to be included within the statement will change.

The above applies to workers/employees who start on or after 6 April 2020; however, there are also transitional provisions which will apply to existing employees who request a statement or where there are changes in particulars which fall within the scope of the statement.

Steps to take

If you have template employment contracts in place, you'll need to make sure that these are updated to reflect the new information that needs to be included. More significantly, statements of particulars will be required for workers – and as these will be needed from day one for new starters from 6 April, steps will either need to be taken beforehand to get these ready or this could delay future recruitments.

Holiday Pay

From 6 April 2020, where averaging provisions are required to calculate holiday pay under the Working Time Regulations 1998 (i.e. for those workers who do not have normal working hours, or who do have normal hours but where their pay varies according to the amount of work done or the time/day the work is carried out), the averaging period will increase from 12 weeks to 52 weeks. As before, weeks where no remuneration is payable will need to be disregarded; additional provisions are included to limit how far back this would require employers to go to calculate an average.

Steps to take

The longer averaging provisions may well take considerably more administration to operate. Check now whether your payroll systems can accommodate this. You may wish to consider whether you wish to require employees to take leave in longer blocks of time to limit the number of averaging exercises required.

Termination Payments and National Insurance Contributions

It is expected that from 6 April 2020 all termination payments above the £30,000 threshold will be subject to class 1A NICs (employer liability only). Legislation has been passed agreeing the same but we are awaiting Regulations to bring this into force.

Steps to take

If you are considering entering into any agreed exits, be aware of the timing of the above – can steps be taken to agree an exit prior to April?

Agency Workers

From 6 April 2020, the “Swedish Derogation” will disappear. If you’re unfamiliar with the Swedish Derogation, this is a clause which allows employment businesses to avoid giving agency workers pay parity with comparable direct recruits, provided that they have an employment contract which gives them a right to pay between assignments.

This will no longer be permitted from 6 April 2020 – instead, all agency workers will have the right to pay parity with permanent workers after 12 weeks. Linked to this is a requirement by 30 April 2020 for employment businesses with any agency workers with Swedish derogation provisions to provide written confirmation to those agency workers that the provisions will no longer apply as from 6 April.

Steps to take

If you are an employment business, review the terms on which agency workers are engaged – if these terms contain the Swedish derogation, steps will need to be taken to comply with the changes.

If you use an employment business, check your terms – you may find that additional costs are being passed on when the Swedish derogation disappears.

IR35

It is expected that from 6 April 2020, the off-payroll working rules will be extended to large and medium sized companies in the private sector. The effect of these changes is to shift responsibility for IR35 tax compliance from the personal service company to the client or intermediary.

Steps to take

Large and medium sized companies should review the relationships they have with any contractors providing services through an intermediary – if the status, but for the intermediary, would really be one of employment for NICs purposes (which is wider than pure employment), then steps will need to be taken to ensure that the correct deductions for tax and national insurance contributions are made when the changes take effect.

IR35: Verify - [find out how we can help >](#)

Information and Consultation

The threshold required for employees to be able to ask to set up information and consultation arrangements will decrease from 10% to 2% of employees, subject to a minimum of 15 employees. By way of reminder, the Information and Consultation of Employees Regulations 2004 apply to employers with 50 or more employees.

The stated aim of reducing the threshold to improve employees’ voices within an organisation.

Steps to take

Nothing at this stage, other than being aware of the change in thresholds so that any future request can be responded to appropriately.

Increase in Limits

April also traditionally sees the increases in statutory payments (such as statutory sick pay, and in respect of family-friendly rights), national minimum/living wage, and the limits on certain tribunal awards – such as unfair dismissal. Further updates to follow when the details are announced!

Steps to take

Nothing at this stage – watch this space for further updates!

If you would like to discuss any of the above issues further, please contact Peter Jones, National Head of Employment for Browne Jacobson LLP.

Contact



Mark Hickson

Head of Business Development

onlineteaminbox@brownejacobson.com

+44 (0)370 270 6000

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