

*National Minimum
Wage increases*

*Gender Pay
Gap update*

GDPR

*Family Friendly
Payments & SSP*

DISCOVER

THE CHANGES IN 2018 EMPLOYMENT LEGISLATION



For more information:
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National Minimum Wage

Workers aged 25 and over
(National Living Wage)

£7.83 an hour

Workers aged 21 and over

£7.38 an hour

Development rate
for workers aged 18-20

£5.90 an hour

Young workers rate for
workers aged 16-17

£4.20 an hour

Apprentice rate

£3.70 an hour

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Gender Pay Gap: First Reports Required

- Private and voluntary sector employers in England, Wales and Scotland with at least 250 employees will be required to publish information about the differences in pay between men and women in their workforce, based on a pay bill 'snapshot' date of **5 April 2017**, under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. The first reports must be published by **4 April 2018**.
- Similar reporting requirements apply to larger public sector employers from **31 March 2017** and the first reports are due by **30 March 2018**.
- Provisions under the Northern Irish Employment Act 2016 mirror these, except they also include fines of up to £5,000 for non-compliance, and a requirement to report on ethnicity and disability pay gaps, as well as gender.
- The Equality and Human Rights Commission has launched a consultation, closing on the **2 February 2018**, on proposals to enforce the reporting requirements (see above).

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Employer Contribution into a Pension Auto Enrolment Scheme Increases

The Employers' Duties (Implementation) Regulations 2010 (SI 2010/4), implement a planned increase in the minimum level of employer contribution into a pensions auto-enrolment scheme from 1% to 2%. A further planned increase to 3% will take effect in April 2019.

Salary Sacrifice Schemes

Childcare voucher salary-sacrifice schemes will close to new entrants from **6 April 2018** but can continue for existing users. The new tax-free childcare scheme does not involve employers - individuals apply themselves.

While arrangements related to cars, accommodation and school fees will be protected until April 2021.



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Family Friendly Payments and SSP

- Statutory maternity (SMP), paternity (SPP), adoption (SAP) and shared parental pay (ShPP) will rise from £140.98 to £145.18 a week from April. Usually the rate increase would be from 1 April, but the statement to Parliament announcing the new figures suggests the date this year may be Monday 9 April 2018.
- Statutory sick pay (SSP) is due to rise this month from £89.35 to £92.05.
- The lower earnings limit will rise from £113 to £116.

Restricting Employment Allowance for Illegal Immigrants

The government plans to introduce a further deterrent to the employment of illegal workers. From April 2018, employers will not be able to claim the Employment Allowance for one year if they have:

- hired an illegal worker
- been penalised by the Home Office
- exhausted all appeal rights against that penalty.

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Taxation of PILONS and Termination Payments

The government plans to make changes to the taxation of contractual and non-contractual PILON (pay in lieu of notice) payments. The proposals include:

- removing the distinction between contractual and non-contractual PILONS so that all PILONS are taxable and subject to Class 1 NICs
- maintaining the first £30,000 of a termination payment as exempt from income tax
- keeping any payment solely related to the termination of employment free of employee NICs
- aligning the rules for income tax and employer NICs so that employer NICs will be payable on payments above £30,000 (which are currently only subject to income tax).

The government intended to make all these changes in April 2018 but has now decided that changes to the treatment of employers' NICs on termination payments will be delayed by a year until April 2019. Changes to the way PILONS are taxed and subject to NICs is expected to come in during April 2018 as planned.

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GDPR

From **25th May**, the GDPR will replace the data protection directive of 1995. The GDPR aims primarily to give control back to citizens and residents over their personal data and to simplify the regulatory environment for international businesses by unifying the regulation within the EU.

Further details will be provided under a separate notification from HeyBridge Associates.



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