



## 2008

1 February

### Increases to statutory compensation limits

- Limit on a week's pay for calculating the basic award for unfair dismissal and statutory redundancy pay increased from £310 to £330.
- The maximum statutory redundancy pay increased from £9,300 to £9,900.
- Limit on compensatory award for unfair dismissal increased from £60,600 to £63,000.

29 February

### Immigration – Penalties for employing illegal workers

Penalties for employing illegal workers (who started employment on or after this date) increased:

- Employers found to have *negligently* hired an illegal worker liable for a fine of up to £10,000 per illegal worker.
- Employers found to have *knowingly* hired an illegal worker can receive an unlimited fine and a potential two year custodial sentence.

Spring

### Flexible working

The independent review of the extension of the right to request flexible working to parents of older children will be concluded. A formal consultation exercise will follow.

6 April

### Employment agencies

Minor changes to the Regulations, including reducing the amount of information that has to be made available on a short-term assignment, will be introduced (*Conduct of Employment Agencies and Employment Businesses (Amendment) Regulations 2007*).

6 April

### Corporate manslaughter

Introduction of a new offence of corporate manslaughter. An organisation may be prosecuted if a gross failing by its senior managers to take reasonable care for the safety of its workers, or members of the public, causes a person's death. The penalty is an unlimited fine (*Corporate Manslaughter and Corporate Homicide Act 2007*).

**6 April**

#### **Information and consultation**

The Information and Consultation of Employees Regulations will apply to undertakings with 50 or more employees. Similarly, the Regulations requiring employers to consult with pension scheme members will be extended to cover undertakings with 50 employees or more (*The Occupational Pension Schemes (Consultation by Employers and Miscellaneous Amendment) Regulations 2006*).

**6 April**

#### **Maternity, adoption and paternity pay**

Statutory maternity, adoption and paternity pay will be increased from £112.75 to £117.18 per week.

**6 April**

#### **Statutory sick pay**

Statutory sick pay will be increased from £72.55 to £75.40 per week.

**6 April**

#### **Changes to the Sex Discrimination Act**

As explained in more detail in this Update, various changes will be introduced to the Sex Discrimination Act including:

- Widening the definition of harassment. A person bringing a harassment claim will only need to show that the alleged conduct was related to the sex of the victim, not that it was motivated by the victim's sex. It will also enable claims to be brought by witnesses.
- Making it unlawful for employers to fail to take reasonably practicable steps to protect their employees from harassment by third parties.
- Amending the definition of discrimination on the grounds of maternity or pregnancy so that a comparator will not be needed.

**End June**

#### **Immigration – Highly Skilled Migrants**

The old Highly Skilled Migrants programme will be phased out and Tier 1 of the new points based system (PBS) for immigration will take effect for all countries. Tier 1 covers highly skilled individuals who contribute to growth and productivity including entrepreneurs and innovators. Individuals qualifying under this category will be able to come to the UK without a job offer and look for work here.

More information on the new PBS system is available at: [www.bia.homeoffice.gov.uk/managingborders/managingmigration/apointsbasedsystem/](http://www.bia.homeoffice.gov.uk/managingborders/managingmigration/apointsbasedsystem/).

**September**

#### **Immigration – Skilled workers**

Old work permit scheme phased out and Tier 2 of the new points based system for immigration takes effect. Employers wishing to employ skilled migrant workers will need to have registered as a sponsor. The sponsorship register opened on 29 February 2008. Once the sponsorship application is approved, the employer (rather than the immigration authorities) will be able to issue certificates of sponsorship to those they wish to employ who satisfy the specified criteria.

**1 October**

#### **New directors' duties**

Three new statutory duties on company directors (introduced by The Companies Act 2006) come into force. They are:

- The duty to avoid a conflict of interests.

- The duty not to accept benefits from third parties.
- The duty to declare to the other directors any interest in a proposed transaction or arrangement.

**1 October**

### **National Minimum Wage**

The National Minimum Wage will increase from £5.52 to £5.73. The rate for 18 – 21 year olds will also increase from £4.60 to £4.77 and the rate for 16 – 17 year olds will rise from £3.40 to £3.53.

**5 October**

### **Extension of maternity rights**

Women whose expected week of childbirth falls on or after 5 October 2008 will have the right to the same terms and conditions during AML as they currently enjoy during OML. This change will mean that:

- Employers will be required by law to provide contractual annual leave above the statutory minimum and other fringe benefits such as health insurance, company cars, gym membership etc.
- Employers will be prohibited from discounting periods of AML for the purposes of calculating certain contractual benefits. This will be relevant for example, where employers use length of service when assessing pay awards or where holiday entitlement increases with seniority.
- Women may bring discrimination claims for failure to pro-rate a discretionary bonus to include the two week period of compulsory maternity leave.

**Winter**

### **Safeguarding Vulnerable Groups Bill**

The Bill is due to come into force in the latter part of 2008. It will establish a new vetting and barring scheme for people working with children and vulnerable adults.

**During 2008**

### **Single Equality Act**

New single equality bill expected to begin its passage through Parliament. The bill is intended to amalgamate all pieces of anti-discrimination legislation into one single statute with the objective of increasing clarity and improving guidance.

**During 2008**

### **Pilot schemes for alternative forms of dispute resolution**

Pilot schemes looking into possible alternative forms of dispute resolution will be run in three regions, in advance of the anticipated abolition of the statutory dispute resolution procedures in April 2009.

**2009**

**April**

### **Abolition of statutory dispute resolution procedures**

The statutory dismissal and grievance procedures introduced in 2004 are expected to be abolished.

New measures to improve dispute resolution in the workplace will be introduced including:

- Right for employment tribunals to increase compensation by up to 25% for employers who fail to follow the ACAS disciplinary code of practice.
- Reversion to the pre-2004 position that dismissals where a fair procedure has not been followed will be unfair but that tribunals should reduce compensation to reflect the possibility that an employee would still have been dismissed even if a fair procedure had been followed.
- The extension of ACAS's conciliation powers and removal of the fixed conciliation periods.

**April**                      **National Minimum Wage**

Proposed introduction of unlimited fines for employers who fail to pay the national minimum wage. The method for calculating arrears for employees who have not been paid the national minimum wage will also be revised.

**1 April**                      **Increase in statutory minimum holiday entitlement**

Stage two: Statutory minimum holiday entitlement (including bank holidays) will be increased from 24 to 28 days.

**6 April**                      **Directors' remuneration**

Quoted companies will be required to explain in the directors' remuneration report *how* pay and employment conditions in the whole company and group have been taken into account when setting directors' remuneration (*The Large and Medium-sized Companies and Groups (Accounts and Reporting) Regulations 2008*).

## 2010

**April**                      **Extension of maternity, paternity and adoption rights**

- Paid maternity leave to be extended from nine months to 12 months.
- The Government proposes to introduce a new right of additional paternity leave of up to 26 weeks for employed fathers or partners (of either sex) of a mother or adopter following the birth or adoption of a child. The leave will be for the purpose of caring for a child after the mother or adopter has returned to work. People entitled to this additional paternity leave may also be entitled to additional statutory pay if the mother has not taken all their SMP when they return to work.

## 2011

**Age discrimination**

The Government will conduct an evidence based review of the default retirement age to determine whether or not it is still needed. This may be pre-empted by the result of the *Heyday* case. Heyday are challenging the mandatory retirement age in the European Court.

## 2012

**Pensions**

Proposed implementation of the Pensions Bill which includes duties on employers to register their employees in either the company's own qualifying scheme or a personal accounts scheme.

This is the current legislative programme as at March 2008. An updated version is issued with each edition of the Employment Update.

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