

# Making Your People Resources Work For You



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Welcome to MGHR's first newsletter of 2012. It will be a busy year for change in employment law as the government attempts to reduce the burden on employers. Whether this will be achieved, time will tell. However, we will keep you updated as the year progresses. The main points of note this quarter are the various changes taking effect in early April.

## **Main Changes Occurring**

- ⇒ *Period for unfair dismissal to be increased from one year to two.*
- ⇒ *Starting from 1<sup>st</sup> October 2012 all large companies will have to enrol employees on Pension Scheme*
- ⇒ *Increases in payments for Statutory benefits, redundancy and unfair dismissal*
- ⇒ *Costs of Tribunals are doubling*

*If you would be interested in discussing MGHR becoming your 'Virtual HR Department', please call*

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## **1. Statutory Maternity, Paternity, Adoption and Sick Pay Increases**

The Government has given confirmation that the standard rate of statutory maternity, paternity and adoption pay will increase from £128.73 to £135.45 per week from 1st April 2012.

Note, due to the change in April 2011, Ordinary Statutory Paternity Pay applies for up to two weeks whilst Additional Statutory Paternity Pay applies for the unexpired period of the mother/adopter's right to Statutory Maternity or Adoption Pay if the mother/adopter chooses to switch to the father/partner and is also at the prescribed rate (or 90% of earnings, whichever is the lower). Employees must earn at least the National Insurance Lower Earnings Limit (LEL). The LEL will rise from £102 per week to £107 per week in April.

Statutory sick pay is being increased from £81.60 to £85.85 per week from 6th April 2012.

## **2. Increases in compensation limits for Redundancy Payments, Unfair Dismissal and Guarantee Payments from 1st February**

The maximum amount of a week's pay used to calculate statutory redundancy and also the basic payment for unfair dismissal will rise from £400 to £430 on 1 February 2012. The maximum unfair dismissal award will be increased from £68,400 to £72,300. The amount of a guarantee payment will also increase from £22.20 to £23.50 of any day.

For dismissals occurring before 1 February 2012, the old limit will apply even if compensation is awarded after that date.

Unlimited compensation continues to apply to discrimination claims.

## **3. Period for unfair dismissal qualification increases**

The most substantial change to employment rights scheduled for 2012 is the increase of the qualifying period for an employee to make an unfair dismissal claim to a tribunal from 1 year to 2 years. This change is expected to occur on 6<sup>th</sup> April 2012.

The government claims the increase will "provide more time for employers and employees to resolve any issues and ease the burden on

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*“The costs of unfair dismissal, tribunals and statutory payments will increase this year. It is essential the employers understand the implications of these changes.”*

*What our clients say about us*

*“We have worked with Jim on an ad-hoc basis for many years, and have recently formalised the relationship by appointing him as our HR advisor. We have always found him to be easy to work with, helpful and personable, and very well informed on his areas of expertise. We would happily recommend his services to others.”*

*Operations Director*

tribunal processes”. Potentially, this could be through greater use of mediation, ACAS or private and would undoubtedly be a positive move.

However, this will not change the situation regarding discrimination-based claims where there will continue to be no qualifying period.

#### 4. Changes to employment tribunal procedure

A number of changes to the streamline tribunal procedures are planned for on April 2012. The main changes are:

- employment judges to hear unfair dismissal cases alone, without employer or employee side members unless they direct otherwise.
- witness statements to be considered ‘as read’ before a tribunal unless the tribunal directs otherwise.
- the maximum limit on prior deposits for claims is doubled from £500 to £1,000 and for costs, where awarded, increased from £10,000 to £20,000 if legally representation is involved.

#### 5. Queens Jubilee Extra Bank Holiday 5<sup>th</sup> June 2012

The government has agreed to grant an additional bank holiday on Tuesday 5 June to provide a focal point for the Jubilee celebrations. In addition, the traditional Bank Holiday at the end of May will be moved to 4 June to make it a four day weekend. Depending on how employees’ contracts of employment are written the extra day could qualify as either a paid or unpaid bank holiday.

#### 6. Watch this Space... further employment law changes planned

Various other changes and proposals for employment law are in the pipeline, with some dates yet to be confirmed by the Government. These will be covered in future edition of the newsletter.

**If you would like help with or more information about any of the above please call or email me**

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**New Clients Welcome:** This newsletter only goes out to clients or existing contacts of MGHR. However, if you know of someone or an organisation who would be interested in becoming a client or who would like a copy of the newsletter, please pass our details on or email Jim with their details and we will be delighted to contact them.

If you wish to unsubscribe, please reply to this newsletter with 'unsubscribe' in the title, or contact Morlan Gil Human Resources on **02392 658212** or [jim.gilhooley@morlangilhr.co.uk](mailto:jim.gilhooley@morlangilhr.co.uk)

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