



# 7 BUSINESS-CRITICAL CHANGES FOR EMPLOYERS AND HR PROFESSIONALS IN APRIL 2019



# INTRODUCTION

Last year saw the introduction and changes of multiple employment laws that have affected thousands of UK businesses, including first reports for the Gender Pay Gap, changes to benefit and pension rates, updates to National Minimum, National Living and Apprentice Wages and many more.



2019 is set to be a big year in terms of planned changes to employment and business law, especially with the advancement of Brexit and a confirmed leave date of **29th March 2019**.

In our latest guide, we've grouped the following most important anticipated employment changes in 2019 for employers, including a general overview of each change, additional key information, an operational date and how best to prepare:

- 1 Brexit and Immigration Rules**
- 2 National Minimum, National Living and Apprentice Wages**
- 3 Changes to Auto-enrolment Pension Schemes**
- 4 Changes to the way payslips are issued**
- 5 Gender Pay Gap and Executive Gender Pay Gap**
- 6 Statutory Family and Sick Pay Rates**
- 7 Parental Bereavement Leave and Pay**

# 1

## BREXIT AND IMMIGRATION RULES

Since Thursday 23rd June in 2016 when 51.9% of the UK population (of voting age) decided to leave the European Union, Brexit has been an underlying talking point amongst businesses and the general public in the UK.



### General overview:

Regardless of whether a deal on the UK's exit from the EU is agreed, the rules around the employment of EU nationals will change when the UK is due to leave on 29th March 2019. The government's white paper on immigration rules outline some of the main points that **could** take almost immediate effect post-Brexit:

#### ① End to free movement

"Everyone will be required to obtain a permission if they want to come to the UK to work or study".

#### ② 'Settled Status'

EU citizens settled in the UK who want to stay will have to register for a new 'settled status' by June 2021.

#### ③ Low-skilled workers

It has been proposed that low-skill workers will be able to enter the UK for a maximum of 12 months, to address concerns of employers particularly in construction and care.

#### ④ Immigration Targets

There will be no cap on the number of skilled workers, but there will be targets in order to reduce annual net migration to below 100,000.



**⑤ No access to British welfare system**

Those who enter under the new system will have "no right to access to public funds, or to settle".

**⑥ Immigration based on skills**

The new system will favour skilled workers. The government says the policy "will ensure the UK remains a hub for international talent from the EU and the rest of the world."

**⑦ Minimum salary threshold**

A £30,000 salary threshold has been put out to a 12-month consultation period, so this could change if government gives in to pressure from the business and working community.

**How to Prepare:**

With still no Brexit deal to be made, the proposed visa scheme and immigration rules could take effect as soon as April 2019. Employers are being urged to start planning recruitment strategies and processes accordingly. Ensure that all recruitment and retention policies are reviewed and changed in time for April 2019.

**Operational Dates:**  
**April 2019 - January 2021**



The National Minimum Wage (NMW) is the minimum pay per hour that workers are entitled to under the age of 25. There are three age categories; 21-24, 18-20 and under 18. The National Living Wage (NLW) applies to 25 and over only.



## General overview:

The National Minimum, National Living and Apprentice Wages are reviewed yearly by the government and are advised by the independent body, Low Pay Commission (LPC). They are statutory requirements for all businesses, bar a few exemptions:

- Self-employed people
- Volunteers or voluntary workers
- Company directors
- Family members or people who live in the family home of the employer

## Non-payment penalties:

Depending on the severity of the case, the penalties for non-payment of the national wages where required can be overly devastating.

In addition to a [‘name and shame’ list](#) that the Department for Business, Energy & Industrial Strategy publishes every year, **UK businesses can face up to 200%** of the total amount owed.

The most recent name and shame list featured nearly 180 employers for underpaying more than 9,000 minimum wage workers by **£1.1 million**.

We have provided the proposed changes to all the National Wages, including a five-year fluctuation table and the latest figures with % increases year-on-year.



### Five-Year National Wage Rate Fluctuations:

YEAR	NLW (25 AND OVER)	NMW (21-24)	NMW (18-20)	NMW (UNDER 18)	APPRENTICE
2018	£7.83	£7.38	£5.90	£4.20	£3.70
2017	£7.50	£7.05	£5.60	£4.05	£3.50
2016	£7.20	£6.95	£5.55	£4.00	£3.40
2015	N/A	£6.70	£5.30	£3.87	£3.30
2014	N/A	£6.50	£5.13	£3.79	£2.73

### 2019 National Wage Changes (with % increase)

YEAR	NLW (25 AND OVER)	NMW (21-24)	NMW (18-20)	NMW (UNDER 18)	APPRENTICE
2019	£8.21 (+4.6%)	£7.70 (+4.2%)	£6.15 (+4.1%)	£4.35 (+3.4%)	£3.90 (+5.1%)

**Operational Date:**  
**6th April 2019**



The auto-enrolment pension scheme was introduced by the government to help more people save for later life when employed by a company.

### **General overview:**

The auto-enrolment pension scheme was introduced in October 2012, with enrolment starting with larger firms (250+), followed by medium (50-249) then small (0-50) companies. All employers with staff in a pension scheme for automatic enrolment must take action to make sure at least the minimum amounts are being paid into their pension scheme.



### **Proposed increases:**

Date	Employer Minimum Contribution	Staff Contribution	Total Minimum Contribution
New rate: 6th April 2019 onwards	3%	5%	8%
Current rate: 6th April 2018 - 5th April 2019	2%	3%	5%

**Operational Date:**  
**6th April 2019**

On 8th February 2018, the government issued a new Order under The Employment Rights Act 1996: The Itemised Pay Statement.



## General overview:

Under the Itemised Pay Statement Order, employers must itemise payslips for employees' wages which vary depending on how much time they have worked, including permanent, temporary and zero hour workers.

Itemised payslips follow recommendations made by both the Taylor Review into Modern Employment Practices and a report from the Low Pay Commission which called for employers to make clear the hours which staff were being paid for.

Employers must either:

- Show the combined number of hours worked for which payment is being made; or
- Itemise the figures for different types of work worked and/or different rates of pay.

## How to prepare:

Employers are being urged to ensure that all of their payroll processes are adjusted to collect the new information required and amend the format of their payslips where necessary to include this information.

**Operational Date:**  
**6th April 2019**



Gender pay reporting legislation requires private and voluntary sector employers in England, Wales and Scotland with at least 250 employees to publish information about the differences in pay between men and women in their workforce.



## Gender Pay Gap: Second Report Required

In April 2018, public, private and voluntary sector organisations **with 250 or more employees** were obliged to publish a report on their gender pay gaps.

Large employers on the "snapshot date" (31st March 2018 in the public sector and 5th April in the private and voluntary sectors) must report on their annual gender pay gap percentage, 12 months of that date.

Consequently, this means that the deadline for the second round of reports are **30th March 2019 or 4th April 2019**.

The reports **MUST** be published both on the employers' website and on the dedicated [Gender Pay Gap government website](#).

## Non-Publishing Penalties:

According to the Equality and Human Rights Commission, UK companies (with 250 or more employees) that fail to comply with their duties on reporting gender pay gaps face **'unlimited' fines and penalties**.

The table below details the information that needs to be collated in order to produce the second Gender Pay Gap report.

An employer should then use this information to take steps towards minimising any signs of unequal pay between genders in their workplace.



#### Mean gender pay gap

The difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees

#### Median gender pay gap

The difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees

#### Mean bonus gap

The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees

#### Median bonus gap

The difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees

#### Bonus proportions

The proportions of male and female relevant employees who were paid bonus pay during the relevant period

#### Quartile pay bands

The proportions of male and female full-pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands

## Executive Gender Pay Gap: Gathering Data

Rules that came into force on 1st January 2019 mean that UK companies with more than 250 employees will have to report on ratios between the CEO and employee's pay and benefits. UK businesses that meet the criteria will have to start gathering the required information ready to publish in 12 months from their start of financial year, meaning the actual reports will need to be finalised and publicised in 2020.

Statutory sick pay is the amount of pay an employee is entitled to while taking sick leave. It is subject to the employee's average earnings meeting the lower earnings limit.



## General overview:

In April 2019, the government will implement new statutory rates for maternity pay, paternity pay, shared parental pay, adoption pay and sick pay.

In order for HR professionals to plan their 2019/20 budgets and make any amendments to their policies and other documentation on family-friendly benefits, they first must understand the rate changes.

We have provided the proposed changes for April 2019, including a percentage increase from the 2018 rates:

Year	Statutory Maternity Pay (Weekly Rate)	Statutory Paternity & Shared Parental Pay (Weekly Rate)	Adoption Pay (Weekly Rate)	Sick Pay (Weekly Rate)
2019	£148.68 (+2.4%)	£148.68 (+2.4%)	£148.68 (+2.4%)	£94.25 (+2.3%)
2018	£145.18	£145.18	£145.18	£92.05

**Operational Date:**  
**6th & 7th April 2019**



The government has confirmed that it intends to introduce a right for bereaved parents to take paid time off work.



### General overview:

Under the current proposals, bereaved parents will be able to take leave as a single two-week period, as two separate periods of one week each, or as a single week. They will have 56 weeks from their child's death to take leave.

Under the Parental Bereavement (Pay and Leave) Act, primary carers – not just parents – will be entitled to time off work following the death of a child. This includes adopters, foster parents and guardians, as well as more informal groups such close relatives or family friends who have taken responsibility for the child's care in the absence of parents.

The new right is expected to come into force in **April 2020**, but employers should start preparing for it during 2019, and could decide to introduce their own bereavement leave policy if they don't already have one.

## Operational Date:

# April 2020

# THANK YOU FOR READING OUR EGUIDE

Thank you for taking the time to read our eGuide. We're always interested to hear your feedback, so please do **[get in touch](#)** and let us know what you thought of our eGuide on '7 Upcoming 2019 Legislation for Employers and HR Professionals'.



## About Omega Resource Group:

Founded in 1998, [Omega Resource Group](#) is an award-winning recruitment company that is part of the [Staffline Group](#).

We focus on delivering high-value, bespoke recruitment solutions using our in-depth knowledge of the [automotive](#), [aerospace](#), [engineering](#), [manufacturing](#), [power energy](#), [renewables](#), [logistics](#) and [professional services](#) markets.

With a large network of recruitment experts, we have the ability to deliver specialised services on any scale.

Whether [Executive Search](#), [permanent](#), [contract](#), [temporary](#) or [OnSite recruitment services](#), Omega Resource Group has the experience to meet and exceed your expectations, providing real, proven services.

[Submit Staff Requirements](#)

[Browse eGuides](#)

[Get in Touch](#)