

SUMMARY OF EMPLOYMENT CHANGES IN 2020 AND WHAT IS ON THE HORIZON FOR 2021





Table of contents

Table of contents.....	2
1. What changed in 2020?	3
2. So, what's on the horizon in 2021?	4

1. What changed in 2020?

With so much happening last year, let's take a brief look at some of the significant changes in employment law in the past year.

- **Changes to the right to receive a written statement of main terms and conditions of employment.** From 6 April 2020, the grace period was removed, meaning you have to give the written statement of terms and conditions to your employee no later than the commencement date of employment.
- **More details have to be included in the written statement of terms and conditions,** such as paid leave entitlements and whether working hours are variable.
- **You have to provide a written statement to your 'workers',** including "zero hours workers", as well as your employees, if they started work for you on or after 6 April 2020.
- You have to use a **reference period of 52 weeks,** (previously 12 weeks) when calculating holiday pay for staff whose pay varies, including "zero hours" workers.
- **The Parental Bereavement (Leave and Pay) Act.** This legislation created a new right to two weeks' bereavement leave and pay for employees whose child dies below the age of 18, or whose child is stillborn.

2. So, what's on the horizon in 2021?

2.1 The National Minimum Wage

The National Minimum Wage rates are set to increase in April 2021 as follows:

- National Living Wage (23+) to increase from £8.72 to £8.91
- National Minimum Wage (21-22) to increase from £8.20 to £8.36
- National Minimum Wage (18-20) to increase from £6.45 to £6.56
- National Minimum Wage (under 18) to increase from £4.55 to £4.62
- Apprenticeship Wage to increase from £4.15 to £4.30

Additionally, from April 2021, the age threshold for the National Living Wage is lowered from 25 to 23. To reflect this, the 23-24 age category for the National Minimum Wage will be abolished.

2.2 Statutory Rate Changes

The following statutory rate increases will apply from April 2021:

- The weekly rate of statutory sick pay (SSP) will be £96.35 (up from £95.85).
- The weekly rate of statutory maternity pay (SMP) and maternity allowance will be £151.97 (up from £151.20).
- The weekly rate of statutory paternity pay (SPP) will be £151.97 (up from £151.20).
- The weekly rate of statutory shared parental pay (ShPP) will be £151.97 (up from £151.20).
- The weekly rate of statutory adoption pay (SAP) will be £151.97 (up from £151.20).

2.3 IR35

From 6 April 2021, **new IR35 rules will apply** to all public sector clients (regardless of size) and medium or large-sized private sector businesses (i.e. those who meet two or more of the following criteria:

- annual turnover is more than £10.2 million
- balance sheet total is more than £5.1 million
- more than 50 employees

2.4 Employment Bill

A new Employment Bill was announced in the December 2019 Queen's Speech. Whilst the introduction of this legislation has been delayed due to the impact of the coronavirus pandemic, it is expected to be published in 2021.

The Employment Bill is likely to include the following measures, for which there is no confirmed timescale yet.

- The introduction of a single labour market enforcement body to ensure that vulnerable workers are better informed of their rights, and to support businesses in compliance.
- A new right to request a more predictable and stable contract after 26 weeks' service, aimed at those engaged under contracts with variable and unpredictable hours, such as zero-hours employees.
- Payment of all tips and service charges go to workers, with the distribution of these sums supported by a statutory Code of Practice.
- Extending redundancy protection to cover pregnant employees from the date they notify the employer of their pregnancy and for a period of six months after the end of their pregnancy, in addition to the current protection that applies during maternity leave.
- Extended leave for parents of children in neonatal care, to provide a week of leave for every week their baby is in neonatal care, up to a maximum of 12 weeks. Those with a minimum qualifying period of 26 weeks' service and who earn above the minimum pay threshold will be entitled to receive pay for the neonatal leave period at the statutory rate that applies for parental leave.
- A new right to a week's (unpaid) leave for employees with caring responsibilities.

2.5 New immigration system

A **new immigration system** applies to individuals arriving in the UK for the first time from 1 January 2021. EEA citizens (which includes EU citizens) and Swiss citizens moving to the UK for the first time from this date to work will need to obtain a visa in advance.

There is no longer a general immigration route for employers to recruit at or near the minimum wage. The main immigration route is the **skilled workers** route for those who have a job offer from an approved employer sponsor. Under this route, foreign nationals will have to meet specified criteria and score at least 70 points.

Employers who are planning to sponsor workers from outside the UK from 2021 will need to **apply for a sponsorship licence in advance**.

EU, EEA or Swiss citizens who were resident in the UK on or before 31 December 2020 should not apply for a visa under the points-based immigration system; instead they will need to apply to the **EU Settlement Scheme**. The deadline for applying is 30 June 2021. Employers are advised to remind employees to which this applies to apply for the EU Settlement Scheme by the deadline.

2.6 2022 public holidays

It has been announced that there will be an extra bank holiday for the Platinum Jubilee in 2022. The late May bank holiday will be moved to Thursday, 2 June (from Monday, 30 May), and there will be an additional bank holiday on Friday, 3 June.