

## Employment Law Update – March 2017

### **1. National minimum wage increases**

From 1 April 2017, the rates of the national minimum wage will rise.

The rate for workers aged 25 and over (the national living wage) increases from £7.20 to £7.50. The rates within other age bands increase as well.

Year	25 & over	21-24	18-20	Under 18	Apprentice
Current	£7.20	£6.95	£5.55	£4.00	£3.40
April 2017	£7.50	£7.05	£5.60	£4.05	£3.50

Apprentices are entitled to the apprentice rate if they're either:

- aged under 19
- aged 19 or over and in the first year of their apprenticeship

### **2. Statutory benefits and sick pay rates increases**

The Social Security Benefits Up-rating Order 2017 (SI 2017/260) increases the rate of statutory maternity pay, statutory paternity pay, statutory adoption pay and statutory shared parental pay from £139.58 per week to £140.98 per week on or after 2 April 2017.

The weekly rate of statutory sick pay will increase to £89.35 (from £88.45) from 6 April 2017.

### **3. Statutory redundancy pay increases**

The maximum amount of statutory redundancy pay and the limit on the amount employment tribunals can award for unfair dismissal increase from 6 April 2017. The weekly pay is subject to a maximum amount. From 6 April 2017, this is £489, increasing from £479. This means that the top award of statutory redundancy pay is now £14,670 (£14,370) 30 weeks.

### **4. Apprenticeship levy is introduced**

The apprenticeship levy to fund apprenticeship training is due to come into effect on 6 April 2017.

Employers will pay the monthly levy if they have an annual payroll of more than £3 million. Payment will be via the PAYE system

## **5. Tax advantages under salary-sacrifice arrangements to be limited**

Benefits-in-kind attracting tax and NIC advantages when they are provided under a salary-sacrifice scheme are to be limited.

Employers do not need to do anything if their employees are sacrificing salary only for

- pensions, pensions advice,
- childcare vouchers,
- workplace nurseries, directly employer contracted childcare,
- cycle to work
- cars with emissions of, or under, 75 g CO<sub>2</sub> / km.

If employees are sacrificing salary for anything other than these benefits, then employers need to use the new rules.

## **6. Immigration skills charge**

Employers that sponsor skilled workers under tier 2 of the immigration points-based system will have to pay a levy of £1,000 per certificate of sponsorship per year (£364 for small employers and charities). The immigration skills charge is due to come into force on 6 April 2017.

## **7. Gender Pay Gap reporting**

The new gender pay gap reporting regulations require businesses with more than 250 employees to calculate and publish the pay gap between male and female employees.

From 6 April 2017 employers in Great Britain with more than 250 staff will be required by law to publish the following four types of figures annually on their own website and on a government website:

- Gender pay gap (mean and median averages)
- Gender bonus gap (mean and median averages)
- Proportion of men and women receiving bonuses
- Proportion of men and women in each quartile of the organisation's pay structure

The regulations apply to private and voluntary sector employers in England, Wales and Scotland

**For more information on these changes contact Elaine Howard of our  
Employment Team**

**T : 0121 314 0000**

**E: [Ehoward@egl-law.com](mailto:Ehoward@egl-law.com)**

**Emms Gilmore Liberson, Lancaster House, 67 Newhall Street,  
Birmingham B3 1NQ**