

EMPLOYMENT LAW CHANGES 2021

After a very turbulent year for many organisations, employers are best advised to be aware of forthcoming legislative developments for 2021.

HR Team has compiled a dated list so as that our clients and UK/NI employers can anticipate some of the confirmed and proposed developments in employment law that businesses need to be aware of.

The employment law changes are as follows:



2021

1. January 1: New Immigration Law in Force

Since January 1, arrangements under the new immigration system from Brexit take effect and apply equally to EU and non-EU citizens. The changes to the former points-based system include:

- Replacements of the tier 2 general category with a skilled worker route (requires a job offer in an eligible skilled occupation from an approved sponsoring employer)
- Abolition of maximum six-year stay for workers in this category
- Gross basic salary must be £25,600 or over
- Skill level must be equivalent to A-levels
- Applicants must have an intermediate-level ability to speak English

2. March 31: Coronavirus Job Retention Scheme

While the Coronavirus Job Retention Scheme (CJRS) was proposed to end on October 31, it has now been extended until March 31, 2021. The CJRS will continue for all UK nations, meaning that the Job Support Scheme (JSS), which was meant to begin on November 1, will be postponed.

The government has reverted to the original structure of the CJRS, with some slight differences, these are:

- Employers will be able to place their staff on furlough and claim 80% of their salary up to a cap of £2,500 per month per employee
- The difference is that employers will be asked to contribute National Insurance and Pensions contributions whilst they claim under the CJRS
- Flexible furlough also being extended so employees can work some hours and have their unworked hours covered by the grant

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3. April 1: National Living Wage and National Minimum Wage Increase

The National Living Wage (NLW) rises to £8.91 on this date. The age at which workers become entitled to the NLW also drops by two years to 23.

The breakdown of rates is as follows:

- Workers aged 23 and over: £8.91 an hour (National Living Wage)
- Workers aged 21-22: £8.36 an hour
- Development rate for workers aged 18-20: £6.56 an hour
- Young workers rate for workers aged 16-17: £4.62 an hour
- Apprentice rate: £4.30 an hour

4. April 6: Extension of IR35 To The Private Sector

The IR35 rules prevent contractors working through Personal Service Companies (PSCs), and performing similar roles to employees, paying less tax and NICs than if they were permanently employed by the client organisation. Previously, contractors assessed whether IR35 applied to them. In April 2017, responsibility for deciding whether contractors' working in the public sector were included in IR35 switched to their employers, and those organisations also became liable for deducting the right amount of tax and NICs from fees paid to the contractors' PSCs.

From April 6 onwards, this responsibility applies to all private sector employers that in a tax year have:

- More than 50 employees
- An annual turnover over £10.2 million
- A balance sheet worth over £5.1 million.

5. Date To Be Confirmed: Carers Leave (Employment Bill)

The government issued a consultation in March 2020 on proposals to introduce a new right for employees with caring responsibilities to take a week's unpaid leave per year. The consultation sought views on who should be eligible for the leave, the purpose of the leave and applicable notification requirements.

The consultation closed in August 2020 and the government's response is not yet available. There is no confirmed timescale for the new right to be introduced, but it is likely to be included in the government's anticipated Employment Bill.

6. Date To Be Confirmed – Extending Pregnancy Protection From Redundancy (Employment Bill)

An employee at risk of redundancy while on maternity, adoption, or shared parental leave has the right to be offered any suitable alternative vacancy that is available.

The government is proposing to extend this protection to:

- Pregnant employees, once they have told their employer of their pregnancy
- Employees returning from maternity or adoption leave within the previous six months
- Parents returning from shared parental leave

The government has said that legislation will be brought forward when Parliamentary time allows.

7. Date To Be Confirmed: Employment Bill

A new Employment Bill was announced in the December 2019 Queen's Speech and is expected to be published in 2021.

The Employment Bill is likely to include the following measures:

- 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.
- Payment of all tips and service charges go to workers, with the distribution of these sums supported by a statutory Code of Practice.
- A new right to request a more predictable and stable contract after 26 weeks' service. This is aimed at those engaged under contracts with variable and unpredictable hours, such as zero-hours employees.



HOW TO IMPROVE 'PRODUCTIVITY DIPS' AND STAFF MOTIVATION IN JANUARY

Why is January such a difficult time for staff motivation? Beyond the winter blues, there is also the post-Christmas comedown after many employees have had time off. It can be hard to get back into the swing of things, causing a decrease in productivity as a result.



Employers may be faced with challenges to tackle these winter blues. Employers may experience a 'productivity dip'.

Particularly with this changing working environment, it is important to effectively manage teams in 2021 whether working from home, the office or both.

It is important now more than ever for employers and people managers to ensure that they have effective measures in place to ensure staff remain productive and motivated.



Reasons identified by HR Team for lack of motivation or underperformance:

- Lack of clarity on employer expectations.
- Unsuitable reporting structure or lack of clarity surrounding reporting structure.
- Ineffective communication or lack of communication.
- Lack of rewards, recognition for a job well done or other motivations.
- Insufficient feedback on performance.
- Outside influences which may be hampering performance.

METHODS TO MOTIVATE EMPLOYEES



1. Share your company vision for 2021

Communicating a clear vision and keeping your employees updated to your employees will make them feel included in the businesses wider vision – and how they can contribute to this. Transparency and open communication are key to maintaining a mutual trust and ensuring motivation levels are high for the year ahead.

2. Listen to your employees' feedback and input

Conduct surveys, ask for feedback or hold one-on-one discussions with employees to show they are a valued member of the team. This will ensure their views are being heard and that their needs are being taken into consideration. 89% of HR leaders agree that ongoing peer feedback and check-ins are key for successful outcomes.

3. Ensure employee wellbeing is monitored

With staff now working from both home and the office, employers and people managers are facing new difficulties. Whilst homeworking can generate many efficiencies, it can also lead to issues in relation to motivating teams, staff feeling isolated and worst-case scenario, staff mental health issues.

Concern for employees' wellbeing is a good way to demonstrate they matter, which in turn will contribute to an improved work ethic. Although it is vitally important to motivate your employees through the dreaded January blues, you should continue to engage with your employees through the rest of the year as well.

HRQ&A

ARE PARENTS ENTITLED TO TIME OFF WORK DUE TO SCHOOL CLOSURES?



Where a parent is faced with unforeseen childcare issues, they are legally entitled to unpaid time off, this is known as 'time off for dependants'. This employment right is intended to be for unpredicted emergencies only - the coronavirus will likely fall under it. Employees have a right to take a 'reasonable' amount of time off, generally speaking up to 2 days to seek arrangements such as childcare.

DOES THE IR35 STILL APPLY IF I WORK FOR A LOT OF CLIENTS?

The Off-Payroll Working Rules will still apply regardless of how many clients a contractor has. There is speculation that if you are working on projects for multiple clients, this will demonstrate that you are an independent contractor, and therefore not applicable for outside IR35.

Your IR35 status is assessed on an assignment basis - working for multiple clients is not a major indicator of being in business on your own account.



FORTHCOMING HR AND EMPLOYMENT LAW WEBINARS

HR Team has a number of free employment law and HR webinars planned throughout 2021.

Whether you have a specific HR question related to Covid-19 or you want to keep up with the ever-evolving developments, we invite you to join our experts as they discuss the key areas that are affecting employers right now.

Registration is free, and the list of upcoming webinars, along with a link to this month's webinar is below.

Thursday, February 25

Performance Management

Thursday, September 23

Recruitment and Selection

Thursday, March 25

The Performance Appraisal

Thursday, October 28

Managing Social Media in the Workplace

Thursday, April 29

Managing Sickness Absence

Thursday, November 25

Managing the Probationary Period

Thursday, May 27

The Disciplinary Process

Thursday, December 16

Setting Employee Targets for the Year Ahead

Thursday, June 25

The Grievance Process

Cost: Complimentary

Who should participate?

Line Managers, Supervisors/Team leaders, middle/senior managers, HR personnel and Business Owners.

For more information on forthcoming webinars, please email hello@hrteamgroup.com

Do you have an employment law question?

We help business start-ups, SMEs and large multinational organisations. Call to speak to us today on any aspect of employment law or strategic human resource services.

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