

Employment Policy and Law

05 October 2011

To: Heads of Institutions, HR Directors
Please distribute to: HR Specialists

Action: for noting

EMPLOYMENT LAW UPDATE OCTOBER 2011

Executive Summary

This Update summarises a number of recent announcements on changes to employment legislation, including the qualifying period for unfair dismissal claims, fees for bringing tribunal claims and the increase to the national minimum wage. It also updates institutions on the Government's review of red tape in relation to employment law.

Qualifying period for unfair dismissal claims and fees for tribunal claims

- 1 At the end of last week, the Government published a Statement of New Regulation, which reports on the first year of operation of the 'one-in, one-out rule' for new legislation. The Statement included a proposal to increase the qualifying period for employees to be able to bring a claim for unfair dismissal from one to two years. However, on Monday this week BIS confirmed that this proposal will be implemented from 6 April 2012.
- 2 The Statement of New Regulation also confirmed that the Government will introduce fees for lodging employment tribunal claims, with the intention of transferring the cost burden from tax payers to the users of the tribunal system.
- 3 The amount of fees and the arrangements for their payment will be subject to a consultation starting in late November, with the introduction of the fees regime in April 2013. It is proposed that there will be a fee of between £150 and £250 for lodging a claim and a further £1,000 for proceeding to a tribunal hearing. There are expected to be fee waivers or reductions for those less able to pay.
- 4 The Statement can be accessed from the BIS website and the references to employment legislation can be found on page 14: <http://www.bis.gov.uk/assets/biscore/better-regulation/docs/o/11-p96b-one-in-one-out-second-statement-new-regulation.pdf>

Government review of red tape

- 5 Further to Update 11:064, the Government launched its Red Tape Challenge in April this year, which included a review of employment legislation. The Government is proceeding with this review by holding a three-week open consultation with businesses focusing on employment law.
- 6 The review invites employers to give their suggestions on areas of employment law that could be improved, simplified or abolished to make them fit for purpose whilst still maintaining standard of employment rights for employees.
- 7 The review divides employment legislation into four areas: compliance and enforcement; letting people go; managing staff; and taking people on.

- 8 If institutions wish to contribute their views to the review, it can be accessed from this link: <http://www.redtapechallenge.cabinetoffice.gov.uk/employment-law/>

National Minimum Wage

- 9 Institutions are reminded that the National Minimum Wage (NMW) increased from 1 October to £6.08 for adult workers. The NMW for workers aged 18 to 20 is now £4.98, and for workers aged 16 to 17 it is £3.68. There is also an apprentice rate of £2.60 for apprentices aged under 19 or apprentices aged 19 or over and in the first year of their apprenticeship.

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