April 2017: nine key employment law changes
Spring means only one thing for HR professionals: preparing for a raft of new employment laws.

The run-up to April is typically a busy time of year for HR professionals, with new employment legislation due to come into force. 2017 is no exception, with the most significant development being the introduction of the gender pay gap reporting duty for larger employers. However, there are a number of other key changes affecting all employers, regardless of their size.

1. Gender pay gap reporting rules come into force

Every year, larger employers (those with 250 or more employees) will have to report data about their gender pay gap, including bonus payments. They will also have to report on the proportion of male and female employees in different pay quartiles and those who receive bonuses.

Employers in the private and voluntary sector must base their pay data on staff employed on a “snapshot” date of 5 April each year, starting from April 2017. Bonus information must be based on the preceding 12-month period. Organisations in the public sector must use 31 March as their snapshot date. Employers have 12 months to publish the information on their own website and to upload it to a Government website. Therefore, employers in scope need to make sure that they can capture the necessary data.

How to measure and report a gender pay gap
Task: Measure and report the organisation’s gender pay gap

2. 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 via PAYE if they have a paybill of more than £3 million.

Employers in England that pay the levy will be able to access funding through a digital service. The new system of funding is expected to operate from 1 May 2017. Employers that do not pay the levy will also be able to access funding for apprenticeships.

Different arrangements exist around how apprenticeship funding will work will apply in Scotland, Wales and Northern Ireland (although the levy applies across the UK).

Also on apprenticeships – larger public-sector employers will have to meet apprenticeship targets.

What is the apprenticeship levy?
How will an employer be able to access funding from the apprenticeship levy?
What will employers be able to spend apprenticeship levy funding on?
How will employers that do not pay the apprenticeship levy be able to fund apprenticeships?

3. There will be an 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 levy will apply in relation to each worker under tier 2, although there are some exemptions.

The immigration skills charge is due to come into force on 6 April 2017.

Other changes affecting employers that employ workers under tier 2 are as follows:
- From April 2017, the Government is planning to introduce a requirement for those workers coming to the UK under tier 2 for certain posts in the education, social care and health sectors, to obtain criminal records certificates from the countries that they have lived in over the last 10 years.
- The tier 2 (general) salary threshold will increase to £30,000 from 6 April 2017, for migrants who are “experienced workers”.

**Employment law manual: Employing foreign nationals**

**4. Reform to the intermediaries rules (IR35) in the public sector**

The intermediaries rules (IR35) may apply where an individual supplies his or her services to a client via an intermediary, such as a personal service company. If the individual could be regarded as an employee if the intermediary did not exist, the rules apply and the intermediary must make deductions for income tax and national insurance contributions (NICs) on the salary and wages that it pays to the individual.

New rules are expected to apply in relation to payments made from 6 April 2017 by public authorities paying a personal service company or other intermediary. The public authority will have responsibility for establishing if the intermediaries rules apply and, if they do, making the tax and NIC deductions.

**Employment law manual: Pay As You Earn**

**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. This change is expected to take effect from 6 April 2017, with some exemptions. Arrangements already in place are protected until April 2018, and until April 2021 for some benefits.

**Employment law manual: Basic pay and benefits**

**6. National minimum wage increases**

On 1 April 2017, the rates of the national minimum wage will increase, despite an increase in most rates on 1 October 2016. This is so that the timing of the annual increase in the national living wage rate for workers aged 25 or over can align with the other national minimum wage rates. The rate for workers aged 25 and over (the national living wage) increases from £7.20 to £7.50. The rates within the other age bands also increase.

**Statutory rates: National minimum wage**

**7. Pensions advice allowance is introduced**

Members of defined-contribution and hybrid pension schemes will be able to take a tax-free amount of £500 from their scheme, to be redeemed against the expense of financial advice. The allowance is expected to take effect from 6 April 2017. The value of pensions advice provided by employers on which there is tax and NIC relief will increase from £150 to £500.

**Employment law manual: Occupational and personal pensions**
8. Statutory family-related pay and sick pay rates increase

The weekly rate of statutory maternity, paternity, adoption and shared parental pay will increase to £140.98 for pay weeks commencing on or after 2 April 2017.
The weekly rate of statutory sick pay will increase to £89.35 from 6 April 2017.

Statutory rates

9. Statutory redundancy pay increases

New limits on employment statutory redundancy pay come into force on 6 April 2017. Employers that dismiss employees for redundancy must pay those with two years’ service an amount based on the employee’s weekly pay, length of service and age.
The weekly pay is subject to a maximum amount. From 6 April 2017, this is £489, increasing from £479.

Statutory rates: Statutory redundancy pay
Award limits and amounts payable under employment legislation

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