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All Change in 2012!

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Happy New Year!

The year 2012 is upon us and, whilst much talk has focused so far on the Olympics, the spotlight will also be on the employment law arena, which will see several key changes.

Claims for Unfair Dismissal

One change that will be welcomed by employers is an increase in the qualifying period before individuals can bring claims for unfair dismissal.

From April, employees will have to have worked for their employer for two years before they can bring a claim, as opposed to the current one-year period. This indeed is welcome news. However, there is a concern that employers may see an increase in claims for discrimination, breach of contract and whistle-blowing for which there is no qualifying period and unlimited financial liability.

Employers should ensure that their disciplinary procedures are non-contractual and only formally applicable to employees after two years of service. This does not of course obviate the need to take disciplinary action at the right time to bring about necessary improvements in Conduct or Performance issues.

Tribunal Changes

Some good news again for employers, with the announcement of a large shake up in the Employment Tribunal System due to take place from April.

This sees an increase from £10K to £20K in costs orders, which a Tribunal may award in favour of a legally represented party. It is also proposed for Tribunals to have the power to direct the parties in dispute to pay the expenses of witnesses, with the losing party paying for any costs already paid out.

Talks also continue about claimants having to pay a fee at the time of making a claim, although the definitive amounts have not yet been confirmed.

Do contact us

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And More Changes A-Coming!

The government is still consulting on various other proposals to reform the Tribunal System. One such change is the imposition of financial penalties for employers who lose at tribunal. This is likely to have a maximum cap of £5K and will be discretionary, not automatic.

Early ACAS conciliation has also been proposed, whereby claimants will first submit the details of their dispute to ACAS to try and negotiate settlement for one month. If either party refuses or settlement is not reached, the Claimant will only then be able to go ahead and present their claim to a Tribunal.

It is really hoped that the introduction of these new measures will deter vexatious claimants and curb the ever-increasing number of claims being made by employees to the Employment Tribunals.

Pension Scheme Changes

From October, employers will start automatically enrolling all eligible employees not already participating in a work place pension scheme, into their Pension Scheme or the National Employment Savings Trust pension scheme (NEST).

In time, all employers will be required to pay contributions of at least 3% of band earnings each year. This requirement will be phased in over five years, with the rules only affecting employers with more than 50,000 in 2012.

The Government has announced a delay in rolling this out to smaller businesses (less than 50 employees) and they will now not be affected until March 2015. You can find out when your organisation will be affected by checking the Staging Dates Timelines at <http://www.thepensionsregulator.gov.uk/pensions-reform/staging-date-timeline.aspx>

Immediate and Responsive Support
LSchofield@hrinsight.co.uk

Legal Support with HR Insight
Legal@hrinsight.co.uk

Parental Leave

From March, parental leave following the birth of a child will increase from three to four months, with three of these months being transferable between the parents.

Queen's Jubilee Bank Holiday

Employers should note that with the Queen's Diamond Jubilee being declared a public holiday on **Tuesday, 5 June**, there will be nine recognised UK bank or public holidays in 2012.

STOP PRESS! NEW RATES!

From 1 February 2012:

- A week's pay (used for calculating statutory redundancy payments and the basic award for unfair dismissal) will increase from £400 to £430.
- The maximum compensatory award for unfair dismissal will increase from £68,400 to £72,300.

From 1 April 2012:

- The standard rates for statutory maternity pay, statutory paternity pay and statutory adoption pay will increase from £128.73 to £135.45.
- The weekly earnings threshold for the above will rise from £102 to £107.
- Maternity allowance will increase from £124.88 to £135.45, with the earnings threshold remaining at £30.

From 6 April 2012:

- Statutory sick pay will increase from £81.60 to £85.85 per week.

Can We Help?

If you would like to discuss the proposed changes in the employment tribunal system or you have any specific questions or we can help with any employment issues you are experiencing, please do call us on **01708 758 958** or visit our web site at www.hrinsight.co.uk.

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