



HR & EMPLOYMENT LAW INSIDER: YOUR MONTHLY UPDATE

February 2025



HR
Solutions

RECENT AND FUTURE CHANGES

RECENT CHANGES

COMMENCEMENT DATE FOR THE NEONATAL CARE (LEAVE AND PAY) ACT ANNOUNCED

Earlier this month, the Government confirmed that the long-awaited new law on giving employees a statutory right to a period of paid neonatal care leave will come into force from 6 April 2025.

If you currently use our Family Friendly Policy, you will know that we have always offered this type of leave as an optional clause; some employers have offered this type of leave for some time, with others operating either their existing non statutory compassionate leave policies to support their employees or by offering statutory unpaid dependency leave.

For those employer's that have adopted some form of neonatal leave already, now is the time to review your existing policy and practices to ensure they meet the new legal minimum.

For those that don't have anything in existence, then ensure you are ready for the new legislation when it comes into force. For clarity, the Regulations come into force on 6 April 2025 and will apply in respect of children who are born **on or after** 6 April 2025.

IMPORTANT! EMPLOYMENT RIGHTS BILL UPDATE

The Employment Rights Bill continues to progress through the House of Commons Committee Stage, and the Public Bill Committee is now preparing its report after considering written and oral evidence from various groups which has included employers, professional bodies, charities, trade unions and individuals.

Following the publication of this report, the Bill will undergo its third and final reading in the Commons before moving to the House of Lords for amendment and debate. As previously reported, most of the reforms are anticipated to come into force in 2026. While this remains the case, there is a view among legal experts, that there is a possibility of the Bill becoming law as early as Spring/Summer 2025.

Although the majority of reforms are set for implementation in 2026 or later, certain reforms could be introduced relatively quickly. These are changes that don't necessitate further regulations, consultations, or guidance. Our analysis of the Bill has identified the following reforms as having the potential to be introduced anytime from when the Bill has been passed as an Act of Law:

- Removing the three-day waiting period for Statutory Sick Pay (the other reform of replacing the lower earnings limit with a percentage will not be before 20026)
- Any refusal by an employer to a flexible working request must be 'reasonable' (i.e. not just meet one of the statutory decline reasons)
- Enhance the current duty on employers to prevent sexual harassment by requiring the employer to take 'all reasonable steps'
- Employers to become liable for third party harassment
- Widen the scope of what is a public interest disclosure, to include the category of sexual harassment allegations
- Remove the 'at one establishment' test in collective redundancy consultation threshold
- Introduce a requirement for employers to consult with any recognised trade union about the allocation of tips and gratuities, policy reviews to take place no longer than 3 years from previous review and for feedback gathered to be published anonymously to all workers
- Dismissal for failing to agree a variation of contract to be unlawful
- The right to be given a statement of trade union rights
- The right to paid time off for trade union Equality Representatives
- Increase Employment Tribunal time limits from three to six months
- Reform the statutory union recognition procedure
- Repealing most of the measures in the Trade Union Act 2016
- Repeal the Workers (Predictable Terms and Conditions) Act 2023 (which although became an Act of law in 2024, has never been given a commencement date)
- Government enforcement of employment rights related to agency workers, sick pay, holiday pay, the NMW
- Gangmasters licencing and modern slavery
- Ship operators to notify the Secretary of State of collective redundancies affecting a ship's crew.

Employers should begin evaluating the potential impact of these reforms on their operations and take steps to prepare for the changes.

For those that are not coming into force until 2026 and beyond, we must await the outcomes of several key public consultations, the development of new regulations, and the creation or amendment of codes of practice, and we anticipate further clarification throughout 2025.

For those reforms that have the potential to come into force in 2025 should be prioritised, along with any significant 2026 reforms.

We therefore strongly recommend employers stay abreast of these developments to ensure a seamless transition and avoid potential compliance issues.

The latest version of the Employment Rights Bill can be accessed [here](#).

INCREASE TO DATA PROTECTION FEES

On 17 February 2025, the Data Protection Fees increased. This comes following a public consultation that took place in 2024.

It is a legal requirement that organisation's pay an annual fee to the ICO. The fee is based on the size of the business and turnover and set within a three-tier structure. The new rates as of 17 February 2025 are:

- Tier 1: applies to micro-organisations, with a maximum turnover of £632,000 or not more than 10 employees. The fee is £52 per year.
- Tier 2: applies to small and medium organisations, with a maximum turnover of £36 million or no more than 250 employees. The fee is £78 per year.
- Tier 3: – applies to large organisations that do not meet either criteria 1 or 2. The fee is £2900 with the proposed new fee of £3,763 per year.

DATA (USE AND ACCESS) BILL

You may recall that in the King's Speech of July 2024, a new 'Digital Information and Smart Data Bill' was announced. Since then, the Bill has been renamed and amended and is now known as the '[Data \(Use and Access\) Bill](#)' (DUAB). The Bill in essence looks to harness the power of data to grow the economy, improve public services and enable and support modern digital government and to make people's lives easier.

The Bill has been progressing through parliament relatively quickly having first been published in October 2024 and now it has just two stages to go before being passed for Royal Assent.

The proposals set out in the DUAB are:

- Clearer Automated Decision-Making (ADM) rules and introducing new rules for defining "solely automated" decisions and to requires human review for significant ADM.
- Limit DSAR scope to reasonable and proportionate searches and clarifying proportionality for data searches
- Align Privacy and Electronic Communication Regulations 2003 (PECR) with GDPR fines, and introducing a new PECR schedule to enable ICO enforcement
- Retain international transfer provisions with enhanced adequacy flexibility by allowing the Secretary of State to approve third countries. Also include materiality test to assess data protection standards
- Lists legitimate interest purposes for streamlined processing and adding qualified government power to update this list by regulation, subject to Parliamentary approval
- Broaden research exceptions and supports scientific data use, expand scientific research definitions and introduces flexible consent for scientific research.

We are currently reviewing this Bill further and will provide further clarity and guidance in due course.

OUR NEW WEBINAR SCHEDULE

We are pleased to confirm our webinar schedule to take us through until the end of 2025. With lots of change on the horizon both in 2025 and 2026, we have created a programme that focusses on these to help you prepare.

- Calculating Annual Leave and Entitlement | new rules and legal changes
- Redundancy in 2025: Prevention, process and key steps for a smooth transition for all parties
- Statutory Sick Pay Changes | Tackling potential rises in short-term sickness
- New deal for working people: Changes to zero hour contracts

- New deal for working people: How to effectively manage family friendly leave and prepare for more flexible working requests
- New deal for working people: The importance of probation periods and how they may change in the future
- What are the 4 primary areas of discrimination? New deal for working people: Protecting the business from tribunal claims
- Budget implications on human resource management
- New deal for working people: Planning for change

Please register for our free monthly online events on our [events page](#).

FUTURE CHANGES (POTENTIAL FOR 2025)

EMPLOYMENT RIGHTS BILL – LIMITED REFORMS

The majority of the reforms will not take effect before 2026, because many require either secondary legislation, new Codes of Practices drafted or consultations to take place first. However, some of the reforms could be ready to be implemented once the Bill gets given Royal Assent, which could be as soon as Spring or Summer 2025. The Government will have the power to set a commencement date that could be as soon as the following day, or a date set in the future, which could possibly be later on in 2025. It is important to know which reforms do have the potential for 2025 so that you can take steps to prepare. These include:

- Remove the three-day waiting period for Statutory Sick Pay (the other reform of removing the lower earnings limit will not come in before 2026)
- Any refusal by an employer to a flexible working request must be 'reasonable' (i.e. not just meet one of the statutory decline reasons)
- Enhance the current duty on employers to prevent sexual harassment by requiring the employer to take 'all reasonable steps'
- Employers to become liable for third party harassment
- Widen the scope of what is a public interest disclosure, to include the category of sexual harassment allegations
- Remove the 'at one establishment' test in collective redundancy consultation threshold
- Introduce a requirement for employers to consult with any recognised trade union about the allocation of tips and gratuities
- Dismissal for failing to agree a variation of contract to be unlawful
- Right to a statement of trade union rights
- The right to paid time off for trade union Equality Representatives
- Increase Employment Tribunal time limits from three to six months
- Reform the statutory union recognition procedure
- Repealing most of the measures in the Trade Union Act 2016

- Repeal the Workers (Predictable Terms and Conditions) Act 2023 (which although became an Act of law in 2024, has never been given a commencement date)
- Ship operators to notify the Secretary of State of collective redundancies affecting a ship's crew.

Government enforcement of employment rights related to agency workers, sick pay, holiday pay, the NMW Gangmasters licencing and modern slavery

PATERNITY LEAVE (BEREAVEMENT) ACT 2024

New legislation is to come into force that will provide new statutory rights for those taking paternity leave in cases where a mother, or a primary adopter, passes away. In this tragic situation, it will provide the other parent or partner who would have taken paternity leave with an automatic day-one right to take immediate paternity leave.

FUTURE CHANGES (LEGISLATION COMMENCEMENT DATE CONFIRMED)

MARCH 2025

17 March 2025 - The Transfer of Undertakings (Protection of Employment) (Transfer of Staff to the Civil Nuclear Police Authority) Regulations 2025

These Regulations transfer the employment of certain Ministry of Defence personnel who work for the Ministry of Defence Police (MDP) at or in relation to certain energy sites to the Civil Nuclear Police Authority, which employs Civil Nuclear Constabulary (CNC) officers and staff, providing for employment protection similar to that afforded by certain provisions of the Transfer of Undertakings (Protection of Employment) Regulations 2006.

APRIL 2025

1 April 2025 – Increase to National Minimum and National Living Wage

The National Living Wage (for those aged 21 and above) increases by 6.7% to £12.21 per hour. The National Minimum Wage (for those 18-20) will increase by 16.3% to £10 per hour with the rate for 16-17 year olds, and apprentices increasing to £7.55 per hour – an increase of 18%.

or palliative and would apply to someone with parental or other personal relationships with a child who is to receive or has received neonatal care.

6 April 2025 – Employer secondary class 1 National Insurance Contribution
The rate of secondary Class 1 Employer National Insurance

6 April 2025 - Neonatal Care (Leave and Pay) Act 2023

A new law that will entitle employees to take a period of leave of absence when their baby requires neonatal care. Neonatal care is regarded as care that is medical or palliative and would apply to someone with parental or other personal relationships with a child who is to receive or has received neonatal care.

6 April 2025 – Employer secondary class 1 National Insurance Contribution

The rate of secondary Class 1 Employer National Insurance Contributions will increase from 13.8% to 15%, and the threshold at which employers are liable to pay it will reduce from £9,100 to £5,000.

6 April 2025 – The Social Security (Contributions) (Rates, Limits and Thresholds Amendments, National Insurance Funds Payments and Extension of Veteran's Relief) Regulations 2025

These Regulations maintain at the same level as the previous year the weekly earnings limits and thresholds specified in regulation 10 of the Social Security (Contributions) Regulations 2001 used for determining liability to Class 1 NICs.

6 April 2025 – Social Security (Contributions) (Rates, Limits and Thresholds Amendments, National Insurance Funds Payments and Extension of Veteran's Relief) Regulations 2025

The weekly lower earnings limits used for determining eligibility for Statutory Sick Pay, Statutory Maternity Pay, Statutory Adoption Pay, Statutory Paternity Pay, Shared Parental Pay, or Statutory Parental Bereavement Pay is to be increased from £123 to £125.

6 April 2025 – Rate of SSP

Statutory sick pay is expected to increase from £116.75 to £118.75 per week.

6 April 2025 - Statutory family rates

Family statutory rates will increase from £184.03 to £187.18 per week. This is for statutory adoption, maternity, parental bereavement pay, paternity pay and shared parental pay.

7 April 2025 – Maternity Allowance

The rate of maternity allowance is expected to increase from £184.03 to £187.18 per week. Whilst this is not paid by an employer, it is important for employers to know of the increase in order to effectively manage their maternity processes with their employees.

SEPTEMBER 2025

1 September 2025 – The economic crime and corporate transparency Act 2023

This Act will make it an offence where certain organisation's (turnover greater than £36 million and more than 250 employees) have failed to prevent, or to have in place reasonable policies and procedures designed to prevent fraud. It includes where there has been fraud, false accounting, fraud by false representation, fraudulent trading and cheating the public revenue. Employers will be liable even if the fraud is committed by an associated person such as self-employed contractors, agency workers.

2026 AND BEYOND

1 July 2026 – The Drivers' Hours, Tachographs, International Road Haulage and Licensing of Operators (Amendment) Regulations 2022

The purpose of the Regulations is to implement fully some of the international road transport provisions in the Trade and Cooperation Agreement between the European Union and the United Kingdom. This includes prospective provisions related to drivers' hours rules and tachograph equipment in goods vehicles (such as bringing into scope some light goods vehicles and the introduction of new tachograph equipment). It also applies to some specialised international provisions and removes some access rights for EU operators to reflect the market access in the TCA.

2028 – Pension age increase

The new normal minimum pension age will become 57 years from 2028, following the amendment to Part 4 of the Finance Act 2004 (pension schemes etc).

FUTURE CHANGES (LEGISLATION COMMENCEMENT DATE TO BE CONFIRMED)

SOMETIME 2026

Employment Rights Bill

This Bill when passed, would introduce 28 reforms to employment rights. The majority of the changes are not expected before 2026 for most, with the rules around unfair dismissal rights not coming into effect until Autumn 2026 at the earliest.

Data (Use and Access)

Update current data protection laws including new rules relevant to AI systems and decision-making processes.

Children's Wellbeing and Schools Bill

Employment of children/teacher's pay and conditions.



Pensions (Extension of automatic enrolment) Act 2023

This legislation removes the current age requirements for eligible workers to be automatically enrolled into a workplace pension. The current minimum age is 22 years, but this will be reduced to 18 years.

DATE UNKNOWN

Sunday trading – Protection for shop workers

The right of shop workers to opt out of working Sundays on religious or family grounds is to be extended to any 'additional' hours above their normal hours which they may normally be obliged to work if requested. The duty of employers to advise workers of these rights is also to be extended.

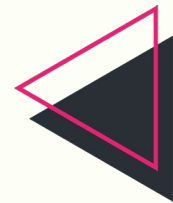
Whistleblowing – Protection for children's social care applicants

This protection will be introduced into the Employment Rights Act, section 49C which will prevent employers from discriminating against a job applicant for a children's social care role because they have made a protected disclosure.

The Domestic Abuse (Safe Leave) Bill

This Bill proposes to provide employees who are victims of domestic abuse with up to 10 days paid leave each year to support in dealing with the many challenges experienced when trying to leave the relationship.

CONSULTATION AND GUIDANCE



CONSULTATION

EMPLOYMENT RIGHTS BILL CONSULTATIONS UPDATE

For many of the proposed employment reforms which form part of the Employment Rights Bill the Government are seeking public input through the completion of open consultations, all under the banner of 'Make Work Pay' and they include:

- Employment Rights Bill
- Strengthening Statutory Sick Pay
- Creating a modern framework for industrial relations
- Collective redundancy and fire and rehire
- The application of zero-hour contracts measures to agency workers

For all the above, we continue to wait the Government's response following their analysis of feedback received. We will provide updates as soon as this becomes available.

GENERAL CONSULTATION UPDATE

Other consultations unrelated to the Employment Rights Bill which are ongoing and remain open (although includes those that have just closed this month) include:

- [Prudential Regulation Authority](#) (PRA) and [Financial Conduct Authority](#) (FCA) – Remuneration reforms (closes 13 March 2025)
- [Financial Reporting Council – Stewardship Code](#) (closes 19 February 2025)
- [Ministry of Justice call for evidence: Costs protection in discrimination claims](#) (closes 19 February 2025)
- [Department of Health & Social Care Consultation](#): Leading the NHS, proposals to regulate NHS managers (closes 18 February 2025)
- [Northern Ireland Government](#): Gender Pay Gap Information Regulations (closes 14 February 2025)
- [Equality at Work: Paternity and shared parental leave](#) (31 January 2025)

To find out more and take part in the consultation, click the relevant consultation above by the closing date noted.

CONSULTATION

NEW ADVICE ON NEURODIVERSITY AT WORK

Acas have published new advice for employers to raise awareness of neurodiversity in the workplace. Neurodiversity describes a person's brain and cognition function and the wide range of differences there can be; it therefore recognises that we are all different in how our brain processes, learns, and behaves.

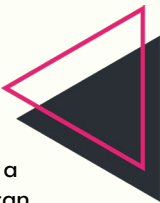
Neurodiversity encompasses both neurotypical and neurodivergent. Neurotypical means the person has typical neurological development or function whereas neurodivergent describes someone who has brain and cognitive function that is not considered 'typical'. This would include someone who has autism, dyslexia, ADHD and similar medical conditions.

Traditionally, employers would consider diversity generally in the context of race, sex, religion, or someone's sexual orientation for instance, but now with greater information available on neurodivergent conditions such as those above examples, it is equally important to ensure that a neurodiverse workforce is also supported.

Quite often, a neurodivergent condition can be classed as a disability for the purpose of the Equality Act 2010, which means employers have a legal obligation to make reasonable adjustments; this could include making adjustments to the job role, equipment required to perform the role, working conditions or hours of work.

ASSISTANCE DOGS GUIDANCE

Did you know that under the Equality Act 2010, businesses and service providers have legal duties to assistance dog owners. Their latest guidance covers part 3 of the Equality Act 2010 (Services and Public Functions) but not Part 12 (Disabled persons: transport) or Part 4 (Premises). The Equality and Human Rights Commission have recently updated their [guidance for businesses and service providers on assistance dogs](#).



However, under the Act, employers also have a duty to make reasonable adjustments to ensure that employees that have a disability are not placed at a substantial disadvantage compared to those who do not, and so the use of assistance dogs can be a reasonable adjustment in employment terms.

Assistance dogs have been specifically trained to assist someone who has a disability by performing essential tasks for their owners. Discrimination can occur therefore in several ways:

- It is unlawful for an employer to directly discriminate against an employee who has a disability because of their disability. Refusing to allow an assistance dog into the workplace would likely constitute direct discrimination.
- If an employer applies a provision, criterion, or practice that puts employees with disabilities at a particular disadvantage compared with those who do not, could indirectly discriminate against the person who requires an assistance dog. An example of this could be having a "no animals" policy.
- Employers have a proactive duty to make reasonable adjustments to remove or reduce any disadvantages faced by employees with disabilities. In the context of assistance dogs, this could include:
 - allowing the assistance dog access to all areas of the workplace where the employee needs to go (with very limited exceptions such as food preparation areas where hygiene is strictly regulated)
 - providing a suitable place for the dog to rest and toilet.
 - adjusting working hours or breaks to accommodate the dog's needs.
 - providing training to other staff members on how to interact appropriately with an assistance dog.

CASE RULINGS

THE IMPORTANCE OF CASE HIGGS V FARMOR'S SCHOOL

[Higgs v Farmor's School](#) is an important [Cour of Appeal](#) case that has been progressing through the court system over several years. It centres around how discrimination law applies to protected beliefs.

In this article, we provide the background to the case, its history of progressing through the courts, and provide the latest legal position on how discrimination law can operate in respect of protected beliefs.

CASE HISTORY

Mrs. K Higgs was employed in a school and dismissed in 2018 for having posted on her private Facebook account, her own views criticizing the teaching of LGBT relationships in primary schools. The school had been made aware of her posts by an anonymous complaint, who felt the posts were both homophobic and prejudiced to the LGBT community. She was subsequently taken through a disciplinary process and was dismissed for her actions following due process.

Mrs. K Higgs lodged an employment tribunal claim on the basis that she believed she had been discriminated against on the grounds of religious belief. She believed the dismissal breached her freedom of speech as well as freedom as religion. She also argued that she had been harassed in connection to her investigation process as she claimed she had been subjected to intimidating questioning.

[The Employment Tribunal ruled](#) that she had not been discriminated against, nor had she been harassed. The judgement found no underlying connection between her beliefs and the way in which the school had treated her. The judge concluded that her actions to post views on private, despite it being a personal account, could have reasonably led people to believe that she was homophobic and transphobic. Therefore, the school was warranted in its actions in taking a reasonable belief that the negative views would impact on various groups of people both within the school community, such as parents, children, and staff, as well as the wider local community.

Mrs. K Higgs appealed the decision and in June 2023 the Employment Appeal Tribunal (EAT) ruled that there was a close, or direct connection between the Facebook posts and Mrs. K Higgs' underlying beliefs and therefore, it was necessary to carry out a proportionality assessment of the school's dismissal decision. This led to the court setting out a list of factors that were likely to be relevant when assessing proportionality.

These were:

- The content of the manifestation
- The tone used
- The extent of the manifestation
- The worker's understanding of the likely audience
- The extent and nature of the intrusion on the rights of others, and any consequential impact on the employer's ability to run its business
- Whether the worker has made clear that the views expressed are personal, or whether they might be seen as representing the views of the employer, and whether that might present a reputational risk
- Whether there is a potential power imbalance given the nature of the worker's position or role and that of those whose rights are intruded upon
- The nature of the employer's business, in particular, where there is a potential impact on vulnerable service users or clients
- Whether the limitation imposed is the least intrusive measure open to the employer.

The EAT ruled that the Employment Tribunal had failed to consider the necessity of the measures taken by the school and had therefore failed to correctly apply the 'proportionality' test. The case progressed to the Court of Appeal.

COURT OF APPEAL RULING 2025

The Court of Appeal agreed with the Employment Appeal Tribunal, that it was legitimate and necessary to undertake a proportionate justification exercise, therefore, the school's dismissal for Mrs. K Higgs in which she expressed her gender critical beliefs **was direct discrimination**. The reasons why the school's dismissal for Mrs. K Higgs Facebook posts expressing gender critical beliefs was discriminatory was because:

1. the language of the re-posts was not grossly offensive
2. the language was not the claimant's own (except for her repetition of the word 'brainwashing')
3. the disciplinary panel accepted that there was no evidence that the reputation of the school had been damaged. Instead, the school's concern was about potential damage in the future
4. the risk of widespread circulation was speculative at best because the posts were made on the claimant's personal Facebook account, in her maiden name and with no reference to the school
5. by the time of the disciplinary hearing, which took place several weeks after the posts were made, only one person was known to have recognised who she was
6. even if readers of the posts might fear that she would let her views influence her work, neither the disciplinary panel nor the tribunal believed that she would do so. This meant that there had been no reason to doubt her assertion that:
 - a. her concern was specifically about the content of sex education in primary schools
 - b. that she wouldn't bring this into school and
 - c. that she would never treat gay pupils or transgender pupils differently
 - d. there had indeed been no complaints about any aspect of her work for over six years
7. there had been no complaints about any aspect of her work for over six years
8. Despite it had been unwise of Mrs. K Higgs to have re-posted material that used provocative language and where people could potentially realise her connection with the School, it ultimately did not justify her dismissal
9. it was no doubt unwise of the claimant to re-post material expressed in florid and provocative language.

KEY CONSIDERATIONS FOR EMPLOYERS

This ruling is significant for employers, because of the difficult question of where to draw the line when considering if disciplinary action is lawful or not, where the manifestation of an employee's belief may be objectionable by others.

The key issue in this case was the appropriateness of the dismissal sanction. The court upheld the school's right to investigate the social media posts, stating that such an investigation was necessary. The court's analysis did not extend to the question of whether a disciplinary warning would have been lawful, nor did it address the potential repercussions if Mrs. Higgs had posted similarly offensive content after receiving a warning. Employers are lawfully allowed to operate separate legal treatment for those with a GRC, versus those whose sex is defined by biology – however, a transgender employee must not suffer from unfair treatment.

CASE UPDATE

We wrote in our last newsletter about case 'Women Scotland Ltd v The Scottish Ministers', a case that was being heard at the [Supreme Court](#). It is centred around how two pieces of legislation interact with each other because each one has different statements as to the meaning of 'man' and 'woman'. The Equality Act 2010 and the Gender Recognition Act have very different wording as to how it is to be interpreted.

We are still awaiting the judgement; however, it is one for employers to look out for because it will provide a definitive legal position on the issue of single sex spaces.

PAYROLL

END OF YEAR REPORTING!

Employers must get ready to make their last full payment submission or employer payment summary, which must include up to and include 5 April 2025. Don't forget, HMRC require employers to indicate on the submissions that it is their final submission and that everything that needs to be sent has been.

REMINDER! P60'S

This is a reminder that for employees who are in your employment on 5 April 2025, you must provide them with a P60 by 31 May 2025.

IMPORTANT! ELECTRONIC PAYMENT DEADLINES

This is a flag to inform you that the electronic payment deadlines for both February and March fall on the weekend this year. This means that funds must be cleared with HMRC the prior Friday. These are the deadlines:

- February electronic payments to be cleared with HMRC by 21 February 2025
- March electronic payments to be cleared with HMRC by 21 March 2025.

EMPLOYEE BENEFITS AND EXPENSES

Employers are now able to register to payroll benefits and expenses from 6 April 2025. This can be done via the Government HMRC website here, and employers have until 5 April 2025 to do so. Once registered, you will be able to begin payroll benefits and expenses from the start of the new tax year.

According to the [HMRC's Employer Bulletin](#), they advise:

- "you must have payroll software that can calculate the tax due on benefits for each pay period
- instead of giving your employees a P11D, you need to give them a letter explaining what expenses and benefits you have payrolled
- if you are payrolling expenses and benefits in kind you may still have a Class 1A National Insurance contributions liability and will still need to submit an online P11D(b) to tell us how much employer Class 1A National Insurance contributions you owe
- you must still complete and submit P11D forms for any benefits and expenses which have not been payrolled in the tax years 2024 to 2025 and 2025 to 2026
- to reduce the likelihood of errors, you can prepare for payrolling by ensuring that data about employees, their earnings and their benefits are up to date"

ARE YOU PREPARED FOR THIS YEAR'S STATUTORY RATE INCREASES?

With April being the start of the new tax year, we can expect to see the usual increases to statutory employment rates, as we set out below:

1 APRIL 2025 – INCREASE TO NATIONAL MINIMUM AND NATIONAL LIVING WAGE

The National Living Wage (for those aged 21 and above) increases by 6.7% to £12.21 per hour. The National Minimum Wage (for those 18-20) will increase by 16.3% to £10 per hour with the rate for 16-17 year olds, and apprentices increasing to £7.55 per hour – an increase of 18%.

6 APRIL 2025 - NEONATAL CARE (LEAVE AND PAY) ACT 2023

A new law that will entitle employees to take a period of leave of absence when their baby requires neonatal care. Neonatal care is regarded as care that is medical or palliative and would apply to someone with parental or other personal relationships with a child who is to receive or has received neonatal care.

6 APRIL 2025 – EMPLOYER SECONDARY CLASS 1 NATIONAL INSURANCE CONTRIBUTION

The rate of secondary Class 1 Employer National Insurance Contributions will increase from 13.8% to 15%, and the threshold at which employers are liable to pay it will reduce from £9,100 to £5,000.

6 APRIL 2025 – THE SOCIAL SECURITY (CONTRIBUTIONS) (RATES, LIMITS AND THRESHOLDS AMENDMENTS, NATIONAL INSURANCE FUNDS PAYMENTS AND EXTENSION OF VETERAN'S RELIEF) REGULATIONS 2025

These Regulations maintain at the same level as the previous year the weekly earnings limits and thresholds specified in regulation 10 of the Social Security (Contributions) Regulations 2001 used for determining liability to Class 1 NICs.

6 APRIL 2025 – SOCIAL SECURITY (CONTRIBUTIONS) (RATES, LIMITS AND THRESHOLDS AMENDMENTS, NATIONAL INSURANCE FUNDS PAYMENTS AND EXTENSION OF VETERAN'S RELIEF) REGULATIONS 2025

The weekly lower earnings limits used for determining eligibility for Statutory Sick Pay, Statutory Maternity Pay, Statutory Adoption Pay, Statutory Paternity Pay, Shared Parental Pay, or Statutory Parental Bereavement Pay is to be increased from £123 to £125.

6 APRIL 2025 – RATE OF SSP

Statutory sick pay is expected to increase from £116.75 to £118.75 per week.

6 APRIL 2025 - STATUTORY FAMILY RATES

Family statutory rates will increase from £184.03 to £187.18 per week. This is for statutory adoption, maternity, parental bereavement pay, paternity pay and shared parental pay.

7 APRIL 2025 – MATERNITY ALLOWANCE

The rate of maternity allowance is expected to increase from £184.03 to £187.18 per week. Whilst this is not paid by an employer, it is important for employers to know of the increase in order to effectively manage their maternity processes with their employees.

ARE YOU READY FOR THE NEW NEONATAL CARE (LEAVE AND PAY) ACT?

Recently announced is the introduction of the Neonatal Care Leave and Pay Act which will introduce a new statutory entitlement for employees in order to take a period of paid leave of absence when their baby requires neonatal care.

The new statutory entitlement will give employees the right to take up to 12 weeks' leave when their child requires 7 (or more) days of continuous neonatal care starting within the first 28 days following their birth. The entitlement to pay will be one week of statutory neonatal care pay for every full week (7 days) that their child is in neonatal care, up to a maximum of 12 weeks.

The Regulations come into force 6 April 2025 and apply in respect of children who are born on or after 6 April 2025.

HAVE YOU CONSIDERED THE PAY IMPLICATIONS OF THE EMPLOYMENT RIGHTS BILL ON YOUR BUSINESS?

This month, we focussed our Hot Topic on the Employment Rights Bill, and how the reforms will impact pay. In our article, we explore how the Bill's provisions, including the introduction of a genuine living wage, the removal of the age discriminatory age bands and the strengthened worker protections will impact wages and what the budgeting implications could be for SMEs.

We also ran an accompanying webinar in which we discussed the topics, with collating all questions asked at the event into an FAQ document, which you can read [here](#).

The key message alongside detailing the reforms, is the need for employers to start preparing now for the changes ahead. Our top 10 tips included:

1. Staying informed and understand the reforms
2. Carry out your own impact assessment of how the reforms will impact your business
3. Budget and forecast for the changes
4. Review your Employee Value Proposition, i.e. your ability to remain competitive both in terms of attracting and retaining top talent
5. Carry out a comprehensive workplace audit
6. Develop compliant policies and working practices
7. Engage and consult with your workforce/trade unions
8. Review existing relations with any Trade Union
9. Train your workforce – line managers, HR and Payroll teams and employees
10. Consider the wider pay implications on your business and strategy.

CHANGES TO THE COMPANY SIZE THRESHOLDS

The Department for Business and Trade have confirmed that an uplift to the company size thresholds will come into force from April 2025. They will be as follows:

	MICRO	SMALL	MEDIUM	LARGE
Annual Turnover	1m	15m	54m	Over 54m
Balance Sheet Total	500k	7.5m	27m	Over 27m
Average no. of employees	10	50	250	250+

This means more businesses will fall into the 'micro' and 'small' categories. Consequently, it will mean:

- A reduced administrative burden for those businesses moving into a smaller category. There will be a reduction in administrative and reporting requirements, and may include exemptions from certain audit requirements, simplified accounting procedures, and less complex reporting obligations.
- It will bring cost savings with the fewer compliance requirements because businesses can expect to save on costs associated with audits, accounting, and legal advice.
- The changes to Directors' Reports for large and medium-sized businesses will no longer need to include certain details such as information on financial instruments, post-year-end events, future developments, and R&D activities.
- The impact on IR35 Compliance will be that the changes to company size thresholds may also affect how the off payroll working (IR35) rules apply. This is because businesses would need to assess if they are still the responsible party for applying the off payroll working rules based on the new thresholds.

HMRC UPDATED GUIDANCE ON CLASS 1A NATIONAL INSURANCE CONTRIBUTIONS ON BENEFITS IN KIND

The HMRC have published this month their updated guidance on Class 1A NIC's on benefits in kind. You can access the [guidance here](#).

JOIN OUR FORTHCOMING FREE VIRTUAL EMPLOYMENT LAW SEMINAR

Next month we shall be running our annual free virtual employment law seminar. With all the changes on the horizon, as well as the statutory rate changes for 2025/26, this two hour session will provide you with the latest updates and news and our advice on how to prepare your business for the changes.

You can register for our [event here](#).

HEALTH & SAFETY

TERRORISM (PROTECTION OF PREMISES) BILL - ALSO KNOWN AS 'MARTYNS LAW'

In response to increasing threats of terrorism and the urgent need to enhance public safety, the UK government is introducing Terrorism (Protection Of Premises) Bill also known as 'Martyn's Law'.

Named in honour of Martyn Hett, a victim of the 2017 Manchester Arena attack, this legislation will require persons with control of certain premises or events to take steps to reduce the vulnerability of the premises and its occupants from acts of terrorism.

As we write to you, the bill is at the committee stage, in the House of Lords, and is expected to receive royal ascent in Spring 2025, unless something drastically derails it, though this is not expected as both current and former governments are in unanimous support for the bill.

What we do know at this stage is the Security Industry Authority (SIA) has been chosen as the regulator. We expect that following Royal Assent, duty holders may have between 1-2 years to implement the changes necessary to comply with the legislation. The regulator SIA will be responsible for setting out clear expectations as to what is reasonably practicable and what compliance with the legislation looks like.

Under the proposed new law, you are a 'duty holder' if you are responsible for a venue or host an event with over 200 attendees, that meets the scope of the legislation.

So as not to overburden industry with unreasonable costs, the bill is to be implemented as a two-tier system. Standard tier will include venues and events with a capacity between 200-799 persons and the enhanced tier will cover those over 800 cap.

For smaller venues, the legislation focuses on having appropriate procedures in place in the event of an attack and there will be no expectation to implement costly measures for those in standard tier.

To find out more about whether your organisation will be affected by the legislation, and if necessary, how you can prepare yourselves, we will be covering the topic at our Annual Virtual Employment Law Seminar, which you can register for on [here](#).

HSE DUTY TO MANAGE ASBESTOS CAMPAIGN

In the past 12 months the HSE have been focusing on Asbestos, with targeted inspections at educational premises and now from January 2025 local authority premises. However, many of our clients across a whole host of industries have had unannounced spot checks from the HSE, and consistently at the top of the agenda is Asbestos management.

Do you have the duty to manage asbestos in your workplace? Would you be prepared for an unannounced inspection, and have all of the relevant evidence to hand? The HSE have put together a whole host of resources including informative videos and free templates to help you prepare – which can be accessed here: [Asbestos Your Duty - Work Right to keep Britain safe](#).



HSE RELEASE VIDEO ON THE FACEFIT RESPIRATOR DEMONSTRATOR MODEL (FFRED)

Respiratory protective equipment (RPE) is a key personal protective measure applied by many industries, to protect workers from hazardous dust, fumes, vapours and particles, and should be used to protect workers against respirable crystalline silica (RCS).

The HSE have released a refreshed video on the correct use of tight-fitting respirators. The video provides information for workers and their employers about:

- why it is important for individuals to have face fit tests for tight-fitting masks, such as disposable filtering face pieces (FFPs) and reusable half-face mask types,
- the importance of it having a good seal to the face,
- and what happens if the respirator does not fit properly.

The video which can be accessed here [Fit testing basics - Respiratory protective equipment \(RPE\)](#) can be used as a training tool for both employees and managers working in areas where RPE is required.

A few points to remember:

- Face fit testing is not a one-off exercise, The British Safety Industry Federation recommends that a suitable interval for repeat face fit testing is every 2 years.
- Wearers of tight fitting RPE should be clean shaven, in the area where the mask seal, touches the skin. For clarity the definition of “clean shaven” in this context means that the wearer’s face should have been shaved (in the area of the face seal) within 8 hours of the work shift commencing.
- Consult your PPE supplier who can advise on the correct type of RPE for the hazardous present within your workplace.

Looking for a competent face fit tester? [Face Fit Testing - Essential Safety](#)

SPOTLIGHT ON RESPIRABLE CRYSTALLINE SILICA (RCS):

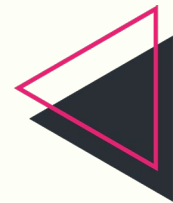
Silica, a natural substance found in rocks, sand, and clay, is a major component of construction materials like bricks, tiles, and concrete. When these materials are cut, drilled, or polished, they produce respirable crystalline silica (RCS), a fine, invisible dust that can penetrate deep into the lungs. Prolonged exposure to RCS can cause severe diseases such as silicosis, chronic obstructive pulmonary disease (COPD), and lung cancer.

Despite being the world’s oldest known occupational disease, silicosis remains a pressing issue, with rising cases linked to artificial stone worktops, prompting Australia to ban their manufacture and use from July 2024.

Other nations, including the UK and US, are reviewing their practices. In response to inadequate safety measures, such as those highlighted in the Warmsworth Stone Ltd case (<https://press.hse.gov.uk/2025/01/06/stone-company-fined-after-repeatedly-failing-to-protect-workers/>) regulatory bodies have emphasized stricter compliance, including dust control systems, respiratory protective equipment, and health surveillance. Recent initiatives like the UK’s silica exposure register and training tools aim to raise awareness and enhance workplace safety to prevent future harm.

Read our full article here to learn more about the steps businesses can take to reduce risk.

INTERESTING HR STATISTICS



BUDGETING CONCERNS OVER THE EMPLOYMENT RIGHTS BILL

The government's new Employment Rights Bill has sparked lots of questions and debate for businesses across the UK. One of the biggest concerns is the pay implications it will have on businesses, particularly from a budget perspective. In our recent webinar on 'Understanding Pay Implications of the Employment Rights Bill', we took a deep dive into the topic, to share all of the different ways employee pay could be affected so that businesses can be prepared and take action if needed.

In response to a poll on the potential challenges from implementing the pay aspect of the bill, 78% of attendees stated that budgeting for increased costs was their biggest concern, while 63% expressed concerns on ensuring compliance with the reforms:

Which of the following potential challenges do you foresee in implementing the pay related aspect of the Bill?

- Budgeting for increased costs – 78%
- Communicating changes to employees – 44%
- Updating payroll systems – 22%
- Negotiating with unions/staff representatives – 4%
- Ensuring compliance with the reforms – 63%

It is likely that some of the changes to Statutory Sick Pay (SSP) could come into force in 2025, including the removal of 'waiting days' (with the removal of the lower earnings limit expected 2026). 69% responded saying they believed this reform would have the biggest impact on business.

Which of the reforms do you anticipate having the biggest impact on your organisation's pay practices?

- Removal of age based pay bands – 24%
- Changes to statutory sick pay – 69%
- Introduction of a genuine living wage – 50%
- Strengthened protections for zero hours workers – 27%
- Removal of 'at one establishment' collective consultation – 10%

We asked attendees what steps their businesses were considering to mitigate the financial impact of the Bill, this was the response:

- Reviewing existing pay structure – 61%
- Implementing cost saving measures in other areas – 60%
- Exploring alternative compensation strategies – 18%
- Passing on increased costs to your customers – 35%
- Redundancy/restructure – 28%

We also asked attendees which support mechanisms would be helpful for their preparation for the reforms:

- Further guidance and resources – 74%
- Webinars and training sessions – 83%
- HR advice and support – 38%
- HR and payroll software updates – 15%
- Risk audit and impact assessment – 30%

And finally, their biggest concern regarding the implementation of the Bill in relation to pay:

- Increased wage costs – 64%
- Administrative burden – 55%
- Difficulty in managing expectations – 26%
- Uncertainty about the details of the bill – 54%
- Managing competitiveness – 20%

If you missed the webinar or require more information on the pay implications of the Employment Rights Bill, you can [watch the recording or download the slides](#). Our accompanying Hot Topic can also be [accessed here](#).

LABOUR MARKET OVERVIEW

The latest data from the Office for National Statistics (ONS), in their Labour Market Overview, published 18 February 2025 shows the following economic indicators:

EMPLOYMENT

For the period October to December 2024:

- Employment levels for those aged 16+ is largely unchanged compared with the same period last year, but it down in the last quarter. It is 74.8% of the working population
- Unemployment is at 4.4% and is an increase when compared to the same period last year, and also on the last quarter.
- The number who are economically inactive is 21.6% of the working age population; this is down on the same period last year and also in the last quarter.
- The number of payrolled employees for the period is estimated at 30.4 million, an increase of 49,000 employees over the 12-month period.
- Of the 30.4 million payrolled employees, 94.5% are aged 18-64 years of age.
- Current redundancy rate per thousand of those aged 16+ is 3.9, an increase on the previous quarter but a decrease over the year.
- An estimated 52,000 working days lost in December 2025 because of labour disputes.

VACANCIES

For the period November 2024 to January 2025:

The estimated number of vacancies decreased for the 31st quarter. For the period, they are estimated at 819,000, a decrease of 9,000 from the August to October 2024 quarter.

EARNINGS

For the period October to December 2024:

- Annual growth in employees' average earnings for regular earnings (excluding bonuses) was 5.9%.
- Annual growth in employees' average earnings for total earnings (including bonuses) was 6.0%.
- Comparing sectors, annual average regular earnings growth for the private sector was 6.2% compared to 6.0% for the public sector.
- Estimates for January 2025 show median monthly pay of £2,467, an increase of 5.7% compared to the same period in the previous year.

RECRUITMENT INSIGHTS

In their latest recruitment report, Reed.co.uk provide the latest market news (from KPMG and REC), UK wage trends Here are the key recruitment news highlights from the document:

Market insights

- The UK's labour market continues to decline, with permanent staff placements falling for the 28th consecutive month.
- Temporary billings saw their steepest decline since June 2020.
- Job vacancies fell at their sharpest rate since August 2020.
- Despite a rise in candidate availability due to layoffs, the growth in available job seekers has slowed.
- Starting salaries for permanent roles increased modestly, but wage growth is below historical trends.

UK and Global Trends

- Job vacancies in the UK have dropped 8.5% year-over-year, a steeper decline than in the US, France, and Germany.
- Vacancies have rebounded in the past month, rising 7.6%.

UK Wage Trends

- Median full-time wages in the UK fell by £187 month-over-month to £35,006.
- Median part-time wages saw a slight drop to £12.50 per hour.
- Median salaries in major cities: London (£50,003), Manchester (£41,246), Bristol (£38,501), and Leeds (£34,996).

SALARY SPOTLIGHT

Weekly benchmarking for in-demand roles on reed.co.uk includes:

- Warehouse Operative: £38,349
- Administrator: £35,902
- Accounts Assistant: £36,186
- Management Accountant: £44,059
- Receptionist: £29,128
- Executive Assistant: £39,101
- Business Analyst: £60,039
- Customer Service Advisor: £27,423
- Finance Manager: £49,540

These insights highlight the ongoing challenges and trends in the UK job market, including declining job placements, wage trends.

Got questions?

If you need any further guidance or have any HR-related queries, feel free to get in touch with us. You can also browse through our previous newsletters for more insights and [updates here](#).