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August 2016 Newsletter - It's all about Brexit

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Brexit - what does it mean to employers?

Although the initial post-Brexit turbulence appears to have settled, the future impact of the Referendum will remain uncertain for some time. Below we answer some of the questions you have been asking about what we know now of the impact of Brexit for employers and employees.

What has been affected?

At this point in time nothing material has changed. Once the UK Government triggers Article 50 of the Lisbon Treaty there will be a 2 year timeframe to negotiate the exit terms with the EU. Issues such as the terms for trading between UK and EU and the free movement of residents will take centre stage, and it is likely to be some time before the Government gets to the point of untangling EU regulations from UK employment law to determine which, if any, employment laws will change.

What areas of employment are likely to be impacted?

The three major EU strands which impact on the UK governing system as far as employment goes are the employment regulations which are incorporated into UK employment laws, rights to work without restriction and the European justice system.

1. UK employment laws

Historically the EU has established regulations which govern various UK employment laws such as TUPE, Working Time Directive (giving minimum periods for annual leave and rest breaks), Agency Worker Rights, anti discrimination laws, health and safety, maternity, paternity and parental leave, amongst others.

The principles established by the EU are interpreted by each member state for implementation into their own laws. For example, the UK statutory annual leave allowance (28 days) is higher than



It's all about Brexit!

Life seems to be settling down a bit following the Brexit announcement on 24 June however, there are a lot of questions which employers and employees alike have about the likely impact of the Brexit vote.

Rest assured that, as employers, the process is at an early stage and there are no immediate changes you need to put in place in terms of your employees terms, conditions, working entitlements or policies and procedures.

We'd love to hear from you if you have any HR needs arising from issues in this newsletter, or if there are any HR issues we can help with.

We offer an initial consultation free of charge.

Julie and Antonia

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that set in EU regulations (20 days). Therefore, it is not a straightforward case that the removal of the EU regulation will lead to the immediate removal of the corresponding UK law. We anticipate changes to our laws to be gradual and realized over time - after we have formally exited the EU.

2. Rights to work without restriction within EU/UK

The rights of EU and UK citizens to work across member and associated states are likely to be a major element of the Brexit negotiations. There has been talk of allowing current resident arrangements to continue alongside introducing a points based system, as exists for non-EU countries. Until the negotiations close we won't know the outcome and this issue is likely to be used to influence other aspects of the negotiations such as trading agreements.

In the meantime and until further notice, the existing arrangements that provide freedom for EU residents to work within the UK remain in place. This means that employers can continue to employ EU and associated states' residents without restriction.

3. Appeal to European Justice system

The right for UK residents and UK employers to have a further right of appeal once they have exhausted the UK judicial system by taking cases to the European Courts of Human Rights and Appeal has resulted in recent rulings on issues such as the inclusion of contractual overtime and regular allowances in annual leave calculations, setting precedents for the UK on how to handle such issues in future.

We expect the right of appeal to the EU courts to cease at the point the UK exits the EU, although it is unclear at this point whether there will be a restriction placed on cases waiting to be heard.

What do I need to do now?

As things stand employers do not need to alter any aspect of their employees terms, company policy or procedure or treat EU resident workers any different to UK workers.

We advise employers to check that their employee records regarding nationality and eligibility to work in the UK are up to date. These checks are currently required under UK Border Agency requirements, and consist of taking a photocopy of a new employee's passport to prove that they are eligible to work in the UK. UKBA have the right to spot check employers records to ensure that they are employing staff legally, and issue penalties to those employers who have (knowingly or unknowingly) employed workers who do not have the right to work in the UK. If you'd like more information on this straightforward administrative check



About Green Light HR Solutions

Green Light HR Solutions is a North Leeds based HR Consultancy run by Antonia Nicholls and Julie Shimmin. We have experience of working with small businesses and understand the people management challenges you face on a day-to-day basis.

Julie and Antonia are fully CIPD Qualified with. between us, over 30 years experience of working in HR and managing staff in both the public and private sector. All the work is performed by us. Our rates are competitive and we are keen to extend our client base. We are a small outfit who take pride in getting to know our clients and provide a high quality and bespoke service.

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Statutory Entitlements

(qualifying criteria applies).

Statutory Maternity, Shared Parental Leave, Paternity and Adoption Pay: £139.56 per week.

Statutory Sick Pay: £88.45 per week for up to 28 weeks.

The National Living Wage (NLW) from 1 April 2016:

please contact us.

Depending on the nature of your business and the immediate or future impact of Brexit, you may be busy running scenarios and business planning. If you are concerned about changes in demand, reduction in income or increase in costs you may need to consider restructuring your staff in order to meet the changes and protect your business. If you'd like some assistance with this to talk through options and ensure that you follow a fair and legal process please get in touch with us.

How will I know what to do next?

We will notify you as and when there are changes which mean that employers need to do things differently, with further guidance and information.

If you are concerned about the impact of Brexit on your business and employees please <u>contact us</u>, or if you have any feedback or comments about the above we'd love to hear from you!

In other news...

The National Minimum Wage for workers aged 24 and younger increases on **1 October** - see the sidebar for details.

The National Living Wage for workers aged 25 and over remains at £7.20

The National Minimum Wage and National Living Wage will be revised again on 1 April 2017.









Workers aged 25 and over: £7.20

The National
Minimum Wage
(NMW) from 1 October
2016:

Workers aged 21 to 24 years: £6.95

Workers aged 18-20:

£5.55

Under 18: £4.00 Apprentice: £3.40*

*This rate is for apprentices aged 16 to 18 and those aged 19 or over who are in their first year. All other apprentices are entitled to the NMW for their age.

Click here to see_ our previous newsletters

We'd love to receive your feedback and thoughts on anything you'd like to see in future issues-info@gl-hrsolutions.co.uk

Please forward our newsletter to anyone you feel may be interested, or they can sign up via our website www.gl-hrsolutions.co.uk

If you have any questions on any of the issues above or any other employment or staffing matter please get in touch;

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Antonia and Julie

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