



FISH PARTNERSHIP LLP

FISHPAY AND FISHES EMPLOYERS NEWS BULLETIN

December 2006



In this, our final News Bulletin for 2006, we will be looking at the changes that have been introduced during the year as well as some of the new legislation effective in 2007. On the subject of the New Year, it is customary to make New Year's Resolutions, most of which are shortly broken! For 2007, we suggest a resolution which won't get broken, namely "To put into place, and bring up to date, my business's Employment Policies and Procedures". Now, don't say "That's a joke. I just don't have the time and anyway, I wouldn't know where to start!" Stop and think again. If you pass this New Year's Resolution over to us we will take care of it through our FISHERS Employment Service and provide you with all your Employment Procedures and Policies—it's as easy as that. We are just a 'phone call away.

Reflections on 2006

Age Discrimination

We covered the basics in our September News Bulletin so this is just a gentle reminder:

- ⇒ Do not discriminate in your Recruitment procedures;
- ⇒ Update your Contracts of Employment for potentially discriminatory clauses;
- ⇒ Review your Employment Procedures and Policies;
- ⇒ Keep your staff appraisal records free of potentially discriminatory notes, and
- ⇒ Don't forget that termination of employment covers retirement and give your employees appropriate notice.

Salary Sacrifice Schemes

These are becoming common place now that more Employers are seeing a saving in their National Insurance costs. Employees welcome the savings in PAYE tax and National Insurance, in particular through the provision of Childcare Vouchers. Use the guidelines laid out in our June News Bulletin, together with the more in-depth advice we can supply, to provide cash benefits for all.

New Construction Industry Scheme (CIS) Rules

The changes due to take effect from April 2006 were postponed to April 2007. Those who attended our Seminar earlier this year will have full details of these changes. We may run a further Seminar for those who missed the earlier one. If you would like to register your interest, please call either Janet Ellis or Julie Stroud on 01628 527956. Clients who have general queries on the operation of the scheme should contact their Accounts Manager.

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Happy to Help



INTO 2007

Flexible Working

Currently, employees with children under 6 years of age, or under 18 years for a disabled child, can request flexible working. From April 2007, this right is being extended to those employees who are also carers. The definition of a carer is an employee who is, or expects to be, caring for an adult who:

- Is married to, or the partner or civil partner of the employee; or
- Is a near relative of the employee; or
- Falls into neither category but lives at the same address of the employee.

We advise Employers to update their Flexible Working Policy, Procedures and Application Form, in advance of this change. If you require assistance with this then please call our Employers Advisor, Janet Ellis, on 01628 527956.

Statutory Maternity and Adoption Pay

The regulations enhancing employees maternity and adoption pay will apply to any employee whose expected week of childbirth, or date of placement, begins on or after 1 April 2007. We have outlined below the key changes.

Statutory Maternity Pay (SMP) and Statutory Adoption Pay (SAP) will be payable for 39 weeks, currently 26 weeks.

Employees will be able to start their SMP period on any day of the week, currently restricted to Sundays.

Keeping in Touch days (KIT's) will be introduced to allow the employee to work for a maximum of ten days during the SMP or SAP period, without loss of SMP or SAP. These days are optional and to be agreed between the Employer and the employee.

Employers and employees will be able to make reasonable contact with each other during maternity and adoption leave.

Employers will be able, if they choose, to divide the weekly rate of SMP and SAP, as well as Statutory Paternity Pay (SPP) by seven. This will enable them to align these statutory payments with their pay practice.

The notice period the employee is required to give the Employer of their intention to return to work from a period of SMP or SAP will be increased from 28 days to 8 weeks.

Although these new regulations start with the expected week of childbirth of 'on or after 1 April 2007', Employers should be aware that employees whose MatB1 states the expected week of childbirth as on or after 1 April 2007 but who give birth before this date, will be subject to the new regulations. This could mean that during the 2006/07 tax year, if you have more than one pregnant employee, you could be running the two schemes side by side.

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Statutory Maternity Leave (SML) and Statutory Adoption Leave (SAL)

In addition to the increased statutory payments outlined on Page 2, from 1 April 2007 all employees, regardless of their length of service, will be entitled to the full 12 months SML or SAL. The same rules for qualification apply as above, the expected week of childbirth, or date of placement, begins on or after 1 April 2007.

Employees Rights to be Informed and Consulted

Currently, only businesses with 150+ employees are covered under the Information and Consultation of Employees (ICE) Regulations. From 2007, all businesses with 100+ employees will also have to conform with the regulations which give employees the right to be:

- ◆ Informed about the business's economic situation;
- ◆ Informed and consulted about employment prospects, and
- ◆ Informed and consulted about decisions likely to lead to substantial changes in work organisation or contractual relations, including redundancies and transfers.

QUESTIONS AND ANSWERS

We are always happy to deal with Clients' queries and here are a couple of questions we have been asked over the previous twelve months, together with our responses.

Q. Several of our employees have expressed an interest in Childcare Vouchers through a Salary Sacrifice Scheme. As you prepare our Payroll, can you assist us with the set-up?

A. We can certainly help you with the scheme by providing the documents to change the employees terms and conditions of employment, as well as making the necessary adjustments through the Payroll. We can also provide contact details for companies who can provide the vouchers. However, some of your employees are earning just over the National Minimum Wage (NMW) and therefore they may not be able to take advantage of Childcare Vouchers if the salary sacrifice reduces their salary below the NMW.

Q. We have always closed the business over the Christmas period. A group of employees have approached the Directors and asked if they can work, with the exception of the Bank Holidays, over the Christmas and New Year close-down period. We have told them we will consider and discuss this and let them have our decision by the end of the month.

A. As we have drafted the template for your Contracts of Employment, we know you have made provision under the Holiday clause for this close-down. The Contract requires employees to retain sufficient holiday from their annual entitlement to cover the Christmas and New Year period. They have been issued with, and have signed, their Contracts and are bound by the terms in this clause. However, you have acted correctly by stating you will consider their request within a set time scale. We advise you do just this, with consideration to your multi-cultural workforce who may prefer to take the holiday over their religious festivals. We suggest you make a general announcement that you are reviewing the close-down period and ask for feedback and views from other employees. You will also need to consider any potential health and safety issues that may arise by not having full staffing. With all this information to hand, you should be able to make a decision that is rational, based on positive business grounds.

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FINALE

You may think you are besieged with piles of paperwork but spare a thought for those unfortunates working at one particular tax office. The press recently reported that they had crated up 117,000 pieces of unopened mail and stored it in a depot until such time as they were able to clear their current backlog and move forward. No wonder it takes so long to get an answer to our letters!

That just about wraps up 2006 and we hope you have found our Employers News Bulletins both helpful and interesting. Remember, that both Janet, our Payroll Manager and Employers Advisor, and Julie, our Payroll Administrator, are here to help you and both are only a 'phone call away.

*All that is left now, is for us to wish you Greetings of the Season and, of course,
a Happy (and very profitable) New Year.*



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