****

**Recap of the key employment law reforms coming into force in March and April 2017**

**Here we recap on the key employment law changes which came into force in March and April 2017.**

|  |  |  |
| --- | --- | --- |
| **DATE** | **AREA** | **CHANGE** |
| 31 March 2017 | **Gender pay gap** | Introduction of gender pay gap reporting for public authorities with 250 or more employees. The rules are substantially the same as for private and voluntary sector employers (see below), albeit that the snapshot date and the deadline for reporting are slightly earlier (i.e. 31 March 2017 and 30 March 2018 respectively). |
| 1 April 2017 | **Apprenticeships** | Establishment of the [Institute of Apprenticeships](https://www.gov.uk/government/organisations/institute-for-apprenticeships) whose primary role is to consider and approve apprenticeship standards submitted by employers and to advise employers on how to access funding for individual apprenticeship standards.  Also on this date, a new offence of misusing the term "apprenticeship" came into force. Training providers are banned from using the term except to describe a statutory apprenticeship. |
| 1 April 2017 | **National Minimum Wage** | Increases to the National Minimum Wage hourly rates as follows:   * Workers aged 25 and over: £7.50 (i.e. the National Living Wage) * Workers aged 21 – 25: £7.05 * Workers aged 18 – 21: £5.60 * Workers under 18: £4.05 * Apprenticeship rate: £3.50 |
| 2 April 2017 | **Statutory family leave payments** | Increase to rates of pay for statutory maternity, adoption and shared parental pay rates to £140.98 per week. The rate for Maternity Allowance rate was also increased to £140.98 per week. |
| 6 April 2017 | **Gender pay gap** | Introduction of compulsory annual gender pay gap reporting for private and voluntary sector employers with 250 or more employees. For further information and details of how Addleshaw Goddard can help you complete your reporting exercise please click [here](https://www.addleshawgoddard.com/en/insights/insights-briefings/2017/retail-and-consumer/retail-and-consumer-newsletter-february-2017/gender-pay-gap/). |
| 6 April 2017 | **Apprenticeships** | Introduction of an Apprenticeship Levy on employers whose annual pay bill exceeds £3 million per year. Affected employers will be required to pay 0.5% of their annual pay bill towards the cost of apprenticeship training. In turn, they will receive an annual allowance of £15,000 to offset against the cost apprenticeship training. For further information please click [here](https://www.addleshawgoddard.com/en/insights/insights-briefings/2017/employment/apprenticeship-levy/), and for details of an event we are holding on this topic please click [here](https://www.addleshawgoddard.com/en/events/apprenticeship-levy-roundtable/). |
| 6 April 2017 | **Immigration** | Introduction of the Immigration Skills Charge which will be payable by employers sponsoring workers from outside the EEA. The skills charge will be £1,000 per year of sponsorship for medium and large sponsors and £364 per year for small and charitable sponsors. For further information please click [here](https://www.addleshawgoddard.com/en/insights/insights-briefings/2017/employment/employment-up-to-date-march-2017/tier-2-update-immigration-skills-charge-and-application-for-annual-allocation-of-unrestricted-certificates/). We have also reported this month on some additional changes to the Immigration Rules for Tier 2. |
| 6 April 2017 | **Statutory sick pay** | Increase to the rate of statutory sick pay to £89.35 per week. |
| 6 April 2017 | **Tribunal compensation limits** | Increase in various Tribunal compensation limits. The main changes are as follows:   * Maximum "week's pay" (used for calculating the unfair dismissal basic award and statutory redundancy payments): £489 * Maximum unfair dismissal basic award cap: £14,670 * Maximum unfair dismissal compensatory award cap: £80,541 |
| 6 April 2017 | **Salary sacrifice** | Reforms to the taxation of salary sacrifice schemes. Under the new rules, certain benefits in kind provided by employers under salary sacrifice schemes will be treated as general earnings and chargeable to income tax and Class 1A employer NICs. A limited range of benefits in kind are ring-fenced from the reforms and limited grandfathering arrangements are also in place. For further information please contact a member of our [Employee Incentives team](https://www.addleshawgoddard.com/en/specialisms/employment-incentives/employee-incentives/). |
| 6 April 2017 | **Income tax** | Changes to the income tax personal allowance, thresholds and rates. The changes are as follows:   * Personal allowance for income tax: £11,500 * Basic rate limit for 2017/18: £33,500 * High rate threshold: £45,000 |
| 6 April 2017 | **Pensions auto-enrolment** | Changes to the earnings trigger and qualifying earnings band limits in relation to pensions auto-enrolment as follows:   * The earnings trigger stays at £10,000 * The lower limit of the qualifying earnings band increased to £5,876 * The upper limit of the qualifying earnings band increased to £45,000 |
| 21 April 2017 | **Tax-free childcare scheme** | Introduction of the tax-free childcare scheme which is due to replace childcare vouchers. Under the scheme the Government will make a 20% contribution to childcare costs, up to a maximum of £2,000 per year for children under 12 years old (or £4,000 per year for disabled children under 17 years old). For further information please click [here](https://www.gov.uk/government/news/tax-free-childcare-launches-today-for-children-under-four). |