

THE TAYLOR REVIEW OF MODERN WORKING PRACTICES

WHAT DOES IT MEAN FOR EMPLOYERS?

The Taylor Review of Modern Working Practices (the Review) was published on 11 July 2017. In our first article on the Review, we explained the proposals of interest to employers. You can read that article [here](#). In our second article, we consider over 40 of the key proposals made in the Review. We explain when the proposals are likely to be implemented, what they mean for your business and what steps you can take to prepare.

We have colour-coded the proposals set out in the table below using the key below to help you formulate the priorities for your business.

Key:

	Within the next 12 months
	Within the next 1 – 3 years
	No time frame given

	PROPOSAL	TIMELINE FOR IMPLEMENTATION	IMPACT FOR EMPLOYERS AND ACTION POINTS
PROPOSALS AFFECTING EMPLOYMENT STATUS			
1.	Definitions of employment status to be enshrined in primary legislation, with further detail in secondary legislation and guidance.	<p>It is suggested that this proposal should be implemented quickly; reference is made to the "<i>overwhelming case to tackle sooner rather than later</i>". Indeed, the Review states that this should be one of the Government's priorities for the next 12 months.</p> <p>However, it is not clear whether the intention is to enshrine the definitions by way of a new Act of Parliament or amendments to an existing Act of Parliament (e.g. the Employment Rights Act 1996). Given the focus on Brexit-related legislation it is unlikely that a new Act of Parliament could be introduced in the short-term. In any event, it is likely that further public consultation would be needed before worker status is reformed in this way.</p>	<p>Impact:</p> <p>A codification of the case law principles on employment status should provide employers with welcome certainty as to which status applies in any given case.</p> <p>Action points:</p> <p>Until the proposed status tests are known, there are no immediate actions for employers to take. Once the new status tests are published, employers should consider conducting an audit to assess which status applies to each member of its workforce.</p>
2.	Government to produce a free online tool to provide an indication of employment status and information for employers on their associated responsibilities.	<p>It is acknowledged that the production of such a tool is a "<i>complicated task</i>" and that work cannot begin until the new legal framework on status is finalised. Nonetheless, the Review states that this should be one of the Government's priorities for the next 12 months.</p>	<p>Impact:</p> <p>Such a tool will be particularly helpful for smaller employers with limited access to HR and employment law advice. It will provide an early</p>

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			<p>indication of a new hire's likely employment status, as well as providing richer information such as the associated responsibilities.</p> <p>Action points:</p> <p>There are no immediate actions for employers to take.</p>
3.	<p>Workers who are not employees to be renamed "dependent contractors" and the test for acquiring this status to place much greater weight on the principle of control than on a requirement for personal service.</p>	<p>The Review states that developing the legislation and guidance setting out the test for dependent contractor status should be one of the Government's priorities for the next 12 months. However, as stated at (1) above, it is not clear whether the intention is a new Act of Parliament or otherwise. The approach will affect the likely timescale for implementation.</p> <p>It is also recognised that consideration will need to be given to different pieces of legislation which use definitions of worker (e.g. pensions legislation). That comprehensive legislative review will take time and will necessitate public consultation before changes can be made.</p>	<p>Impact:</p> <p>The weakening of a requirement for personal service means that genuine substitution clauses will not act as a barrier to "dependent contractor" status. The consequence is that some independent contractors will move to dependent contractor status, bringing with it enhanced obligations and costs for employers (e.g. the right to paid holiday and rest breaks; the obligation to auto-enrol into a pension scheme)</p> <p>Action points:</p> <p>When the detail of the proposed dependent contractor test becomes available, employers should audit their workforce to identify the cohort of individuals (if any) who are deemed to be independent contractors solely because of the presence of a substitution clause. In future, such individuals may qualify as dependent contractors depending on how much control the employer has over them.</p>
4.	<p>Employers operating in the gig economy to be able to pay dependent contractors based on the number of tasks performed, provided that an average individual earns the National Minimum Wage with a 20% margin of error.</p>	<p>The Review indicates that this proposal could be brought about by simply updating the existing fair piece rates provisions contained in the National Minimum Wage legislation. This means that the reform could be put in place relatively quickly once the new dependent contractor status has been settled. Indeed, the Review states that this should be one of the Government's priorities for the next 12 months.</p>	<p>Impact:</p> <p>Gig platform employers are likely to see their independent contractors move to dependent contractor status. This reform means that the employer will be able to continue to operate flexibly and competitively and pay for the work done (subject to showing that the National Minimum Wage rate was achieved by the average individual).</p> <p>Action points:</p> <p>Gig platform employers should consider auditing their workforce either now or in the near future to assess whether the average individual earns the National Minimum Wage for the work they do. Where this threshold is not being met, such employers may wish to start thinking</p>

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			about how they will plug the gap (e.g. absorbing the additional cost; increasing charges to customers; restructuring the workforce).
5.	Government to explore options for requiring online platforms to provide real time data of the mean hourly output rate to the dependent contractor.	No specific time frame is given for the achievement of this proposal.	<p>Impact:</p> <p>This proposal is likely to result in increased cost for gig platform employers in terms of the technology needed to capture and share accurate real time data with their dependent contractors.</p> <p>Action points:</p> <p>Gig platform employers may wish to start considering: (i) whether they have the technology to extract this type of data; and (ii) how they would propose to share it with dependent contractors.</p>
6.	Employment and tax status frameworks to be aligned so that if someone is employed for tax purposes then they will be either an employee or a dependent contractor for employment status purposes (and vice versa). Further, it is proposed that tax and Employment Tribunal rulings regarding employment status should be binding on each other.	No specific time frame is given for the achievement of this proposal.	<p>Impact:</p> <p>Currently, there is a mismatch between the 3-tier employment status framework (employed, worker and self-employed) and the 2-tier tax status framework (employed and self-employed). Reducing the differences to a minimum so that employees and dependent contractors are treated as employed for tax purposes offers a simpler framework and is likely to be welcomed by employers.</p> <p>Action points:</p> <p>There are no immediate actions for employers to take.</p>
7.	Employees and dependent contractors to have the right to receive a written statement of particulars on Day 1 of their job, including details of their statutory employment rights. They should have the right to claim compensation where an employer fails to comply.	The Review states that this proposal should be one of the Government's priorities for the next 12 months. Although not specified in the Review, it seems likely that this reform would be introduced by way of amendments to section 1 of the Employment Rights Act 1996 (ERA). However, the definition of "dependent contractor" would need to be settled first.	<p>Impact:</p> <p>This reform will require employers to provide both employees and dependent contractors with more information at the point of recruitment. As well as the particulars already covered by s.1 of the ERA, employers will have to provide statements of statutory worker rights.</p> <p>Action points:</p> <p>There are no immediate actions for employers to take. It should be relatively easy for employers to comply with this requirement when it</p>

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			comes into force. It is even possible that the Government will specify a standard format for the provision of such information.
8.	National Insurance Contributions (NICs) paid by employees and self-employed people to be moved closer to parity.	<p>The Review states that examining ways to address the disparity between the level of tax applied to employed and self-employed labour should be one of the Government's priorities <i>"over the coming years"</i>. The implication being that this is a medium to long term objective.</p> <p>However, given that the Government has recently U-turned on increasing NICs contributions for the self-employed, it seems unlikely that there will be the political will to revisit this issue and drive this proposal through.</p>	<p><u>Impact:</u></p> <p>If this proposal were to be implemented, it could potentially encourage some self-employed contractors to opt for dependent contractor or employee status. This would then have the knock-on effect of increasing the costs for employers who would have to pay employer NICs of 13.8%.</p> <p><u>Action points:</u></p> <p>There are no immediate actions for employers to take.</p>
9.	Government to "address areas of entitlement" (e.g. parental leave) where self-employed people lose out.	No detail of the entitlements to be addressed and no specific time frame is given for the achievement of this proposal.	<p><u>Impact:</u></p> <p>Without more detail on this proposal it is difficult to speculate on the potential impacts for employers. However, using the example given in the Review, if parental leave were to be extended to independent contractors, employers would need to factor this right into new engagements and ensure relevant family-friendly policy was updated.</p> <p><u>Action points:</u></p> <p>There are no immediate actions for employers to take.</p>
10.	Government to consider accrediting a range of platforms designed to move towards cashless transactions. The aim is that this will increase transparency of payments made to self-employed individuals and ensure that they pay the correct amount of tax.	The Review states that this proposal should be one of the Government's priorities <i>"over the coming years"</i> . The implication being that this is a medium to long term objective.	<p><u>Impact and action points:</u></p> <p>There are no obvious impacts or actions for employers to take at present.</p>
11.	Government to consider making certain rights conditional on using a certain payment mechanism. The example given is linking an individual's right to work in the UK to the use of such a payment mechanism.	The Review states that this proposal should be one of the Government's priorities <i>"over the coming years"</i> . The implication being that this is a medium to long term objective.	<p><u>Impact and action points:</u></p> <p>There are no obvious impacts or actions for employers to take at present.</p>
PROPOSALS AFFECTING ATYPICAL WORKERS			

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12.	Consider introduction of a new higher National Minimum Wage rate for hours of work that are not guaranteed as part of the contract.	The Review states that this proposal should be one of the Government's priorities over the next 12 months. Presumably any new higher National Minimum Wage rate would be introduced by way of an amendment to the National Minimum Wage Regulations 2015. If so, this should be achievable within a relatively short time frame.	<p>Impact:</p> <p>As well as enhancing pay for zero hours workers, this proposal would also affect many "standard" employees and workers who work non-guaranteed overtime hours and would have a particular impact on sectors such as retail and social care.</p> <p>Action points:</p> <p>Employers may wish to audit their exposure to an enhanced National Minimum Wage rate. Some employers may find that they already have this information available following an audit of working practices for the purposes of assessing holiday pay entitlements.</p> <p>Once the proposed enhanced rate is known, employers should then assess whether there is any shortfall and, if so, what remedial action they could take (e.g. convert non-guaranteed overtime to guaranteed overtime; retain non-guaranteed overtime but enhance the rate of pay).</p>
13.	Government to consider other ways of encouraging employers to guarantee more hours to their staff, including the role of voluntary collective agreements.	No specific time frame is given for the achievement of this proposal.	<p>Impact and action points:</p> <p>There are no obvious impacts or actions for employers to take at present.</p>
14.	Continuous service in employment should be preserved where any gap in employment is less than 1 month, rather than the current 1 week.	The Review states that this proposal should be one of the Government's priorities over the next 12 months.	<p>Impact:</p> <p>The preservation of continuous service may result in an increase in the number of zero hours and casual employees acquiring employment rights which are based on length of service (e.g. the right to request flexible working after 26 weeks of employment; the right to claim unfair dismissal after 2 years of employment). Under the current rules, it is relatively easy for continuity of service to be broken, meaning such employees don't often acquire such rights.</p> <p>Action points:</p> <p>Employers should ensure that they have good records detailing periods of work and non-work so that an accurate assessment of service can be made.</p>

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15.	Zero hours workers who have been engaged for 12 months or more to have the right to request a contract that guarantees the hours which reflect the actual hours worked. Employers to report on how many requests of this nature have been received and how many were agreed.	The Review states that these proposals should be Government's priorities over the next 12 months.	<p>Impact:</p> <p>The proposal is limited to a right for a zero hours worker to request a fixed hours contract, rather than a right to move to a fixed hours contract. Although there is no detail yet on how this process might work, it seems possible that it will be along the lines of the right to request a flexible working arrangement. This could mean that an employer could refuse the request provided there was a good business reason for doing so and the request was considered reasonably.</p> <p>However, it should be noted that the proposal to report on how many such requests were received and agreed places an additional burden on employers. Records will have to be kept and some form of public reporting undertaken.</p> <p>Action points:</p> <p>There are no immediate actions for employers to take.</p>
16.	On holiday pay, the Government should increase the pay "reference period" used to calculate holiday pay for workers who do not have normal working hours from 12 to 52 weeks to take account of seasonal variations in work.	The Review states that this proposal should be one of the Government's priorities over the next 12 months.	<p>Impact:</p> <p>This proposal could benefit both workers and employers. It would help workers who work irregular hours to achieve a truly representative rate of holiday pay, ensuring that their holiday pay is not depressed following a period of working fewer hours. Conversely, it would help employers by ensuring that holiday pay is not inflated following a period of working a higher number of hours, for example, as typically happens in the retail and hospitality sectors over the Christmas period.</p> <p>Action points:</p> <p>If this proposal comes into force, employers will need to ensure their payroll systems are adjusted to take account of the longer reference period, and any associated policy should also be updated to reflect the change in how holiday pay is calculated (if this is covered in the affected policy).</p>
17.	All dependent contractors to be given the choice of either taking paid holiday or receiving "rolled up holiday pay" (i.e. the practice of not paying holiday pay while the worker is on holiday, but	The Review states that this proposal should be one of the Government's priorities over the next 12 months.	<p>Impact:</p>

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	making a compensatory payment during the weeks worked).		<p>If this proposal is introduced it would mean that dependent contractors could elect to receive their holiday pay as an extra payment on top of their normal pay, rather than taking paid leave. According to the Review, this would equate to 12.07% premium on pay.</p> <p>The Review does not acknowledge that the practice of paying rolled up holiday pay is contrary to the EU Working Time Directive. Although the Working Time Regulations 1998 do not expressly prohibit rolled-up holiday pay, Government guidance provides that the practice is currently unlawful. This being the case, the Government is not in position to implement this reform within the next 12 months without breaching EU law. After Britain has left the European Union (the expected exit date being 29 March 2019), it may be able to introduce this change, but the ability to do so may turn on the terms of the agreement reached with the European Union.</p> <p>Action points:</p> <p>There are no immediate actions for employers to take.</p>
18.	Agency workers to be given clearer information on the applicable rates of pay and those responsible for paying them.	No specific time frame is given for the achievement of this proposal. However, given that it is unlikely to be controversial we would expect this reform to be implemented within the short term.	<p>Impact:</p> <p>This proposal will affect employment businesses which place agency workers with end users. They will need to ensure the documentation they provide to the agency worker complies with the new requirements.</p> <p>Action points:</p> <p>Such businesses should monitor this reform and ensure that the information they provide to agency workers meets the new enhanced standard.</p>
19.	Agency workers to have the right to request a direct contract of employment after 12 months with same hirer, which the hirer would have to reasonably consider. The employer should also be required to report on how many requests of this nature have been received and how many were agreed.	The Review states that this proposal should be one of the Government's priorities over the next 12 months.	<p>Impact:</p> <p>As for (15) above, this proposal is limited to a right to request, rather than a right to have the request met. Again, it seems possible that it will be along the lines of the right to request a flexible working arrangements. This could mean that an employer could refuse the request provided there was a good business reason for doing so and the request was considered reasonably. However, employers will have</p>

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			<p>the additional burden of record keeping and some form of public reporting undertaken.</p> <p>Action points:</p> <p>There are no immediate actions for employers to take.</p>
20.	<p>The "Swedish derogation" should be abolished. This is the provision in the Agency Workers Regulations 2010 which allows agencies to avoid matching end-user pay by employing agency workers in a way that allows for pay between assignments.</p>	<p>The Review states that this proposal should be one of the Government's priorities over the next 12 months.</p>	<p>Impact:</p> <p>End user employers who currently engage agency workers and take the benefit of the Swedish derogation would see their costs increase if it were to be abolished. The result would be that agency workers would be entitled to the same rate of pay as comparable employees after 12 weeks.</p> <p>Action points:</p> <p>Employers who engage workers and benefit from the Swedish derogation may wish to assess the potential increase to the cost of engaging such workers. This may lead employers to reconsider their use of agency workers vs. permanent workers.</p>
PROPOSALS AFFECTING THE ENFORCEMENT OF EMPLOYMENT RIGHTS			
21.	<p>HMRC to be given responsibility for enforcing holiday pay rights (in addition to National Minimum Wage and sick pay rights) for the lowest paid workers. This means that such workers would not have to enforce their rights via the Employment Tribunal.</p>	<p>The Review acknowledges that achieving this proposal would be complex and they would expect any change to be "phased in over a realistic timeframe". Certainly, we would expect there to be a full public consultation on this proposal since it would remove many holiday pay claims from the Employment Tribunal's jurisdiction.</p>	<p>Impact:</p> <p>This proposal would affect only those employers of the "lowest paid workers" (i.e. those earning the National Minimum Wage or National Living Wage), meaning we would expect to see a greater impact in sectors such as retail, hospitality and the social care. Affected workers would not have to bring claims in the Employment Tribunal to enforce their holiday pay rights. Instead, they would complain to HMRC which would then be responsible for enforcement. Whilst affected employers could benefit from avoiding the cost of Tribunal litigation, it is not clear how HMRC would determine the validity of a holiday pay claim and what right of appeal would exist from any decision reached.</p> <p>Action points:</p>

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			There are no immediate actions for employers to take.
22.	Claimants should be able to have their employment status determined at an expedited preliminary hearing without having to pay any fee.	The Review states that this proposal should be one of the Government's priorities over the next 12 months. The reform would probably require amendments to the Employment Tribunal's procedural rules and the legislation governing fees.	<p>Impact:</p> <p>Where employment status is in dispute in a Tribunal claim (e.g. whether the individual is a worker for the purposes of a holiday pay claim or an employee for the purposes of an unfair dismissal claim), this reform will bring that issue to the front end of the litigation. It will also mean that claimants have the option of getting this issue determined at no cost to them. Presumably, if they elected not to do so there could be cost consequences for them later on in the litigation (although note this is not addressed in the Review).</p> <p>Action points:</p> <p>There are no immediate actions for employers to take.</p>
23.	The burden of proof in hearings where employment status is in dispute should be reversed and placed upon the employer.	The Review states that this proposal should be one of the Government's priorities over the next 12 months.	<p>Impact:</p> <p>This proposal will mean that in Tribunal cases where status is in dispute, the employer will have to come armed to make the case that the individual does not have the status they say they have. If the employer fails to do this, the default position will be that the individual is assumed to have the status they say they have. There will be safeguards to prevent vexatious claims i.e. the individual will have had to: (i) obtain an indication of employment status from the Government's online tool; and (ii) receive certification from Acas as to their view of the individual's employment status. Where an individual fails to do these things, the burden of proof would remain on them to prove their employment status.</p> <p>Action points:</p> <p>There are no immediate actions for employers to take.</p>
24.	The Government should seek to enforce Tribunal awards itself without action from the claimant, or payment of any additional fee. A "naming and shaming" scheme should be established for employers who do not pay awards within a reasonable time.	The Review states that this proposal should be one of the Government's priorities over the next 12 months. A system of penalties for failure to pay Tribunal awards came into force on 6 April 2016. However, that scheme does not permit the recovery of the unpaid award itself,	<p>Impact and action points:</p> <p>Other than being aware of the risk of enforcement action, there are no obvious impacts or actions for employers to take.</p>

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		only the related penalty. This proposal would presumably extend that scheme to allow recovery of the award itself. As such, it should be achievable within a relatively short time frame and is unlikely to be controversial	
25.	Tribunals should be obliged to consider the use of awarding aggravated damages and making costs orders if an employer has already lost an employment status case on broadly comparable facts.	The Review states that this proposal should be one of the Government's priorities over the next 12 months.	<p><u>Impact:</u></p> <p>This reform could result in increased costs for affected employers.</p> <p><u>Action points:</u></p> <p>Once this reform is introduced, employers who lose Tribunal claims which turn on employment status should audit their workforce to assess how many individuals are in a broadly comparable situation. A decision would then need to be made whether to: (i) change the view of the status of those individuals and treat them accordingly; or (ii) keep the existing arrangements and take the risk of higher awards and costs orders in any future claims.</p>
26.	Tribunals should be allowed to award uplifts in compensation if there are subsequent breaches against workers with the same, or materially the same, working arrangements.	The Review states that this proposal should be one of the Government's priorities over the next 12 months.	<p><u>Impact:</u></p> <p>This reform could result in increased costs for affected employers.</p> <p><u>Action points:</u></p> <p>As for (25) above, employers in this situation should audit their workforce to assess how many individuals are in a broadly comparable situation and decide whether to change their view of the status of those individuals and treat them accordingly or keep the existing arrangements and take the risk of uplifted compensation in any future claims.</p>
PROPOSALS AFFECTING ENGAGEMENT AND TRANSPARENCY			
27.	The Government should review the Information and Consultation of Employee Regulations 2004 (ICE Regs) and extend the rules to workers and reduce the threshold from 10% to 2% of workforce making the request.	The Review states that this proposal should be one of the Government's priorities over the next 12 months. We would expect this proposal to be taken forward given the relative ease of introducing the reforms (by	<p><u>Impact:</u></p> <p>The ICE Regs give employees the right to make a request to negotiate with their employer to put in place an information and consultation framework (and if no agreement is reached then a default framework</p>

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		way of amendments to secondary legislation) and the absence of any cost of the Government.	<p>will apply). Currently, the ICE Regs only apply to businesses with 50 or more employees and a request to negotiate can only be triggered by 10% or more of the employee population. The Review suggests that the ICE Regs have had limited impact, with only 14% of organisations putting in place employee consultative bodies by 2011. By including workers, these proposals widen the number of employers who could potentially receive a request to negotiate an information and consultation framework. By reducing the trigger threshold to 2%, these proposals will also make it easier for the workforce to make a valid request.</p> <p><u>Action points:</u></p> <p>Employers who are currently outside the scope of the ICE Regs should ensure they understand the framework and are able to respond to a request to negotiate if these reforms are introduced.</p>
28.	The Government should work with Investors in People, Acas, trade unions and others to promote the development of better employee engagement and workforce relations, particularly in sectors with high levels of casual employment.	The Review states that this proposal should be one of the Government's priorities over the next 12 months.	<p><u>Impact and action points:</u></p> <p>There are no obvious impacts or actions for employers to take at present.</p>
29.	Companies above a certain size should be required to be more transparent. Amongst other things, they should be required to publicise their model of employment and use of agency services.	The Review states that this proposal should be one of the Government's priorities over the next 12 months.	<p><u>Impact:</u></p> <p>The Review offers no detail as to what the size threshold should be, nor whether these proposals would be taken forward by way of legislation or by encouraging employers to report this information on a voluntary basis (e.g. in the way that employers were encouraged to voluntarily report on their gender pay gap under the "Think, Act, Report" scheme).</p> <p><u>Action points:</u></p> <p>It should be relatively easy for employers to extract data on the structure of their workforce (e.g. numbers of employees, agency workers and independent contractors) by reference to contracts, payroll records and incoming invoices. Employers may wish to think about what systems they have in place to assist in this task.</p>

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PROPOSALS AFFECTING OTHER AREAS			
30.	Apprenticeship Levy: the Government should ask the Institute for Apprenticeships to work with sectors using high levels of lower paying and atypical work to ensure they are making best use of the current apprenticeship framework.	No specific time frame is given for the achievement of this proposal.	<p><u>Impact and action points:</u></p> <p>There are no obvious impacts or actions for employers to take at present.</p>
31.	Apprenticeship Levy: the Government should consider making the funding generated by the levy available for high quality "off the job" training other than apprenticeships.	No specific time frame is given for the achievement of this proposal.	<p><u>Impact:</u></p> <p>If this proposal is taken forward, it would open up the funding available through the Apprenticeship Levy system to a wider body of training organised by the employer. This could be extremely valuable to employers who run in-house training programmes for staff.</p> <p><u>Action points:</u></p> <p>There are no immediate actions for employers to take.</p>
32.	Internships: unpaid internships to be "stamped out" and the Government to clarify the interpretation of the law on employment status for interns and encourage enforcement action by HMRC.	No specific time frame is given for the achievement of this proposal.	<p><u>Impact:</u></p> <p>Where employers are using unpaid interns, this reform could result in a marginally increased pay bill.</p> <p><u>Action points:</u></p> <p>Employers should consider reviewing their use of interns within their businesses. Where these are unpaid, employers should carefully consider the likely employment status of these individuals. If it is concluded they are workers, the employer should ensure that they are paid in line with the National Minimum / Living Wage and receive paid holiday and other worker rights.</p>
33.	Flexible working: when the flexible working system is evaluated in 2019, the Government should consider whether the system might be used to permit requests for temporary changes to contracts.	The Review ties this proposal to the statutory review of the flexible working rules which is due to take place in 2019.	<p><u>Impact:</u></p> <p>Many employers already permit employees to make flexible working requests for temporary changes and so it is doubtful whether this reform would have a radical impact. However, when considered alongside the changes to preserving continuous service (see (14) above), employers may see this right used by zero hours employees who could achieve the 26 weeks' service requirement for the first time.</p>

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			<p>It is not clear whether there would be a limit on the number of requests that could be made.</p> <p>Action points:</p> <p>There are no immediate actions for employers to take.</p>
34.	<p>Flexible working: the Government should work with organisations such as Working Families and Timewise to encourage flexible working initiatives such as the use of the "happy to talk about flexible working" strapline in job advertisements.</p>	<p>The Review ties this proposal to the statutory review of the flexible working rules which is due to take place in 2019.</p>	<p>Impact and action points:</p> <p>There are no obvious impacts or actions for employers to take at present.</p>
35.	<p>Pregnancy and maternity: guidance on pregnancy and maternity discrimination should be reviewed and consolidated to enable women to more easily spot unlawful discrimination and challenge it.</p>	<p>No specific time frame is given for the achievement of this proposal.</p>	<p>Impact and action points:</p> <p>There are no obvious impacts or actions for employers to take at present.</p>
36.	<p>Pregnancy and maternity: consideration should also be given to "further options for legislative intervention" in this field.</p>	<p>No specific time frame is given for the achievement of this proposal.</p>	<p>Impact and action points:</p> <p>Until further details are released there are no obvious impacts or actions for employers to take.</p>
37.	<p>Sickness absence: statutory sick pay should be reformed so that it is a basic employment right for which all workers are eligible, regardless of income, from Day 1 (and should be payable by the employer and accrued on a length of service basis).</p>	<p>No specific time frame is given for the achievement of this proposal.</p>	<p>Impact:</p> <p>The extension of statutory sick pay to all workers at the employer's cost will increase employers' pay bills.</p> <p>Action points:</p> <p>Employers may wish to consider working out the likely approximate cost per annum of this reform (i.e. number of workers x average number of sick days taken per year) and consider how they would fund this additional cost.</p>
38.	<p>Sickness absence: employers to do more to support workers who are absent on long-term sickness grounds to return to work and go "above and beyond" the duty to make reasonable adjustments.</p>	<p>No specific time frame is given for the achievement of this proposal.</p>	<p>Impact and action points:</p> <p>Until further details are released there are no obvious impacts or actions for employers to take.</p>

	PROPOSAL	TIMELINE FOR IMPLEMENTATION	IMPACT FOR EMPLOYERS AND ACTION POINTS
39.	Sickness absence: individuals who have been absent on "prolonged sick leave" should have the right to return to the same or similar job (conditional upon engagement with the Fit for Work service)	No specific time frame is given for the achievement of this proposal.	<u>Impact and action points:</u> Until further details are released there are no obvious impacts or actions for employers to take.
40.	Low pay: the Low Pay Commission's (LPC) remit to be widened so that it can make recommendations to Government on areas of change needed to improve the quality of work in the UK.	The Review states that this proposal should be one of the Government's priorities over the next 12 months.	<u>Impact and action points:</u> There are no obvious impacts or actions for employers to take.
41.	Low pay: the LPC to work with employers, employees and stakeholders to: (i) promote quality work across all regions and sectors; and (ii) develop sector-specific codes of practice that "support the provision of quality work".	The Review states that this proposal should be one of the Government's priorities over the next 12 months, with the initial focus should be on driving productivity in the retail, care and hospitality sectors	<u>Impact and action points:</u> Employers operating within the retail, care and hospitality sectors may wish to consider who within their business will be responsible for engaging with the LPC on this agenda.

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