



January 2024 Update

Welcome to this month's update - where we discuss the latest legislation and guidance.

In this month's edition, we report on:

- Stress Risk Assessments – a legal requirement
 - Changes to holiday pay
 - New National Minimum Wage rates
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Stress risk assessments – a legal requirement

Did you know that by law, employers must carry out a risk assessment to protect their employees from stress at work? In addition, if an organisation employs 5 or more employees, they must do a written risk assessment.

There are 2 main pieces of health and safety law which covers work-related stress:

- The Health and Safety at Work Act 1974 – which puts a 'duty of care' on employers to protect their employees from the risk of stress at work.
- The Management of Health and Safety at Work Regulations 1999 – this requires all employers to make a 'suitable and sufficient assessment' of the risks to the health and safety of employees at work.

What employers must do:

- Identify any risks to their employees' health, for example by carrying out a risk assessment.
- Take steps to prevent or reduce work-related stress.

Employers: have a legal duty to protect employees from stress at work by doing a risk assessment and acting on it.

Contact us: we can provide the template document you need and assist you with completing the **Stress Risk Assessment for a fixed fee of £299 in January and February only**

Changes to holiday pay

The Government has just published new guidance on calculating holiday pay and entitlement, following changes to the law from 1 January 2024.

One of the key changes includes employers being allowed to “roll up” holiday pay for irregular workers and part-year workers for holiday years starting on or after 1 April 2024. This can be done by applying a 12.07% uplift to a worker’s normal pay, which greatly simplifies the holiday pay calculation.

This is set out in the helpfully named, “The Employment Rights (Amendment, Revocation and Transitional Provision) Regulations 2023”, which took effect from 1 January 2024.

The Department for Business & Trade has published new guidance to help explain the reforms and how to deal with them in practice. The guidance summary is set out below and applicable for holiday years starting on or after 1 April 2024 only:

- The definitions of an “irregular hours” and “part-year” workers.
- The accrual of holiday entitlement for irregular hours and part-year workers for leave years starting on or after 1 April 2024, ie calculating holiday entitlement as 12.07% of actual hours worked in a pay period.
- The operation of rolled-up holiday pay for irregular hours and part-year workers (i.e. applying a 12.07% uplift to their normal pay, instead of paying holiday pay when it is actually taken).
- Calculating holiday pay for irregular hours and part-year workers, including which regular payments (such as overtime, bonuses and commission) are included.
- Calculating holiday entitlement accrued by irregular hours and part-year workers while on maternity/family-related/sick leave for leave years.
- Calculating holiday entitlement for workers leaving a job part-way through a leave year.

- Calculating holiday entitlement for workers with a fixed number of hours each week, but whose daily hours vary.

The guidance is very helpful and includes worked examples to help illustrate how the calculation of holiday pay and entitlement should operate under the new regime.

Employers: these reforms, and particularly helpful in allowing payment of rolled up holiday pay, which will be a relief to many employers.

Contact us: if you have any questions about calculating holiday pay and entitlement.

New National Minimum Wage rates

New National Minimum Wage Rates see record increases from 1 April 2024. The Government has now announced the minimum wage rates which will apply from 1 April 2024, following the recommendations of the Low Pay Commission.

The National Living Wage will increase from £10.42 to £11.44. For the first time it will apply to 21- and 22-year-olds (instead of only those aged 23 and above).

This is an increase of £1.02 or 9.8%, being the biggest ever cash increase in the National Living Wage and will be worth over £1,800 a year for a full-time worker.

Employers: make sure your payroll is updated and let employees know about these increases as April approaches.

Contact us: we can assist with pay reviews and appraisals.

For more information or assistance Email: caroline@employmentlawsupport.co.uk



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