



6th April 2020

Employment Law Update

This update is intended for information only. Remember, you shouldn't make unilateral changes to contracts, so please talk to us if you need advice on how to implement these changes safely.

From today, the following laws come into force:

Written contracts of employment

There are several changes to the rules around contracts (specifically the Statement of Main Terms, or SMT) – namely when it must be provided, and what it must contain.

When you have to provide the SMT: From 6th April 2020, the SMT must be given to all employees **and workers** from **day one** of their employment (the two month grace period is revoked).

What you have to put in the SMT: You must list all the employee's key terms of employment, including pay and annual leave entitlements. The following terms must now also be included in the same document:

- terms and conditions relating to work have been extended to cover terms relating to normal hours of work, days of the week the worker will be required to work and whether these days/hours may vary
- terms relating to other forms of paid leave such as family-friendly leave
- details of other employee benefits, not just those relating to pay, such as benefits in kind or financial benefits
- terms relating to probationary periods including those in relation to length and conditions
- details of training provision and requirements.

Significantly, you now have to provide an SMT to all your **workers**, as well as your employees – this includes zero hours workers and casual workers.

Holiday pay

The mandatory reference period for calculating holiday pay has increased. From 6 April 2020, you must use a reference period of 52 weeks to calculate holiday pay for staff who work irregular hours. This is to balance out any peaks and troughs of working hours throughout the year.

Parental bereavement leave

From 6 April, eligible employees are allowed to take two weeks of leave when they suffer either a stillbirth after 24 weeks of pregnancy or the death of a child under the age of 18. A day-one right, employees can take these weeks either as one single block of two weeks' leave, or two separate blocks of one week's leave. A 'week' is understood to be any one period of seven days and does not have to begin on any particular day. Eligible employees have 56 weeks following the death of their child in which to take this leave.

Agency workers

Some types of contracts for agency workers are now banned. Known technically as 'Swedish derogation' model contracts, they offered a legal loophole to avoid paying agency workers the same basic pay (after 12 weeks of service) as direct recruits. Workers who are currently engaged on these contracts are now also entitled to a statement to explain the effect of the ban on their pay, which must be distributed by no later than 30 April 2020.

All agency workers are now entitled to a key facts sheet before they agree to the terms of work. This must include the expected minimum rate of pay, any expected deductions from pay, and the type of contract they will be working under.