



PEOPLE matter



What not to wear

All through the summer, the argument about what you can and cannot wear at work has been a hot topic. Fortunately, our country is not as hard line as, for instance, Sudan where a journalist may face a public flogging and an unlimited fine for simply wearing trousers. Obviously, some sensitivity should be employed when it comes to creating a dress code policy that is equal for both male and female staff, as should an awareness of cultural or religious requirements that might dictate aspects of employee's clothing or appearance. The key for employers is that they must show that dress codes are justified. Meanwhile The Society of Chiropodists and Podiatrists will propose at the TUC conference outlawing high heels in the workplace; they mean well, taking into account the damage high-heeled shoes can inflict on women's feet. However, recent reports show that women who wear high heels at work demand more respect, so who are they to take the swing out of their step? On a more serious note, the owner of a London hair salon was forced to pay more than £15,000 for religious discrimination after refusing to give a job to a Muslim woman who wanted to wear a headscarf at work. Discrimination claims are costly and for SME's in times like these, could prove to be fatal.

The key questions for employers to consider in relation to their own dress standards are:

- Why are these requirements necessary?
- Are equal standards expected of male and female employees?
- Are any of the requirements likely to disadvantage employees of a particular race or religion, and if so, can any changes be made in order to accommodate these?

The definition of irony

Papers reported recently how a 21 year old swine flu call centre worker has been sacked from her job - after contracting swine flu. Emily Morgan of Plymouth, Devon, said she called and spoke to her helpline bosses to let them know she was ill but when she recovered and returned to the call centre a security guard told her she was on a list of leavers who were not allowed into the building. Obviously, we would suggest that the correct absence procedure is put into place and followed rigorously. Absence can be a problem and if handled badly the cost may be more than the price of a week in bed.



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People Matter is a regular bulletin for business owner/managers who want the staff, but don't want the hassle of dealing with all the red tape that comes with them.

If this was forwarded to you, and you'd like to receive more bulletins on getting more from your team, please email with 'People Yes' in the subject line. If you no longer wish to receive bulletins from us, please email with 'People No' in the subject line.

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Important changes to pension legislation

The government estimates that about seven million people are currently under-saving for retirement. As a result, it is putting the onus on employers to help encourage more people to save.

The requirements: From 2012, unless you are already operating a Company Scheme that meets certain criteria, or you set one up, you will have to enroll all eligible employees automatically into a "Personal Account" and boost each employee's contributions with contributions of your own. Whichever qualifying scheme is adopted, you will also have additional regulatory requirements including registering how you will meet your enrolment duties for each PAYE scheme you run.

What this means to you: Research has shown that auto-enrolment is one of the most effective ways of triggering pension scheme membership, so it is highly likely that your business will incur significant additional costs in 2012. As well as compulsory contributions there is also the administrative cost of registering and setting out how you will meet your new enrolment duties.

Summary of proposed reforms: Automatic Enrolment of employees in a "Personal Account" – a simple low cost pension scheme being introduced by the government, or your own Company Scheme if it meets certain criteria. You will be required to contribute a minimum of 3% of each employee's eligible earnings which is intended to encourage them to add their own contributions and meet a minimum 8% contribution target. Whilst the government is proposing to phase in the level of compulsory contributions from 1% rising to 3% over three years, these likely increases are still something to be aware of.

Employees eligible for auto-enrolment will be:

- Those who don't have a private pension.
- Aged between 22 years and State Pension retirement age and will earn between designated lower and upper bands.

What to do next: Here are some things you may wish to investigate:

- Will your existing scheme exempt you from having to use "Personal Account" with employees?
- Consider if you need to review your scheme to make it a qualifying scheme, or if you need to set up a new qualifying scheme.
- The profiles and needs of your employees – do you have a spread of moderate or higher income earners or employees who value more choice and control?

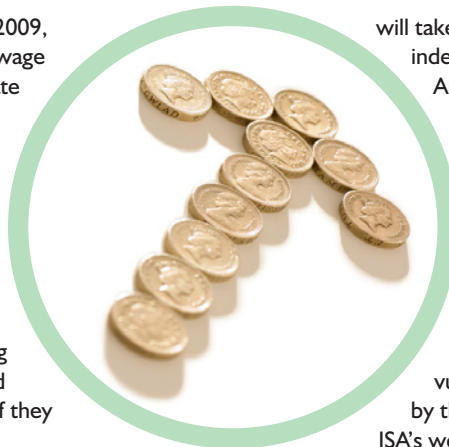
In addition to this, changes to retirement age apply from April 2010. The minimum age you may access your pension will increase from 50 to 55. If you are, or will be, aged 50 plus before 6th April 2010 and do not wish to wait until age 55 to access part of or your entire pension fund – you need to take action now.

This article was kindly submitted by Sally Moore at Morgan Stone Independent Ltd.



Things to look out for next month

Change is on the horizon. As of 1st. October 2009, new rates will apply to the national minimum wage (NMW). For workers aged 22 and over, the rate will rise from the current £5.73 to £5.80 per hour, for workers aged 18 to 21 it will rise from £4.77 to £4.83 per hour and for workers aged 16 and 17 it will rise from £3.53 to £3.57 per hour. The Government has also announced that in October 2010, the age range of those eligible to receive the adult rate of the NMW will be lowered to include 21 year-olds. This may seem like a long while away but it is a cost that businesses need to take into account from October next year if they have any employees in the lower age bracket. In addition to this, changes to Criminal Records Bureau checks



will take effect as of 12th. October 2009. A new independent body, the Independent Safeguarding Authority (ISA) will start a new system for carrying out checks on people who work with children and vulnerable adults. Eligibility for Enhanced CRB checks will expand to include more employment and voluntary positions, and Standard CRB checks will no longer be available for those working with children or the vulnerable; these workers will be required to have an Enhanced check. Under this system, it will also become illegal to employ someone to work with children or vulnerable adults who have not been checked by the ISA. More information can be found on the ISA's website at <http://www.isa-gov.org.uk/> or ring your local HR Dept office.

VITAL STATISTICS

Employment and litigation issues

STATUTORY PAY

Maternity/adoption pay – SMP/SAP is paid for 39 weeks. First six weeks of SMP: 90% of employee's average weekly earnings. SMP remaining weeks/SAP: £123.06 or 90% of average weekly earnings, whichever is less.

Statutory Sick pay – £79.15 a week for employees earning £90.00 per week or more. Maximum entitlement 28 weeks. No entitlement during first three days.

REDUNDANCY PAY (Next review February 2011)

Pay rate – 0.5 week's pay for each year of service for employees aged under 22 (a week's pay is £350, rising to £380 in October). 1 week's pay for each year of service for employees 22 - 40. 1.5 weeks' pay for each year of service for employees aged 41 and older.

NATIONAL MINIMUM WAGE

Hourly pay rate – £5.73 (£5.80 from October) workers aged 22 and older. £4.77 (£4.83 from October) workers aged 18 to 21. £3.53 (£3.57 from October) workers aged 16 to 17.

Apprentice pay rate – £95 per week.