

Employment Law Update

Spring 2024

Current rates from April 2024

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Significant increase to the National Minimum/Living Wage

New rates to the National Minimum Wage (NMW) and the National Living Wage (NLW) apply from 1 April 2024. These represent a significant increase from previous rates and are based on recommendations from the Low Pay Commission accepted by the Government.

The NLW will also now apply to workers aged 21 and over (previously 23 and over).

The new rates from **1 April 2024** are as follows:

Age	Apprentices	16 and 17	18 – 20	21+
National Minimum Wage	£6.40	£6.40	£8.60	
National Living Wage				£11.44
Previous rate before April 2024	£5.28	£5.28	£7.49	£10.18 (ages 21 to 22) £10.42 (age 23 and over)

The penalties for failing to pay the NMW and NLW are high and can be up to £20k per employee/worker.

Removal of NMW exemption for live-in domestic workers

Currently, there is no entitlement for domestic workers who live in their employer's family home to be paid the NMW/NLW. This was aimed at au-pairs who were treated as part of the family.

Following allegations that this exemption was being abused by some employers, the Low Pay Commission recommended that the exemption should be abolished and this was accepted by the Government. Consequently, as of 1 April 2024, all live-in domestic workers will now be entitled to the NMW/NLW.

The NMW exemption for actual members of the family who perform domestic duties and reside at home still applies. The exemptions are currently only being removed for non-family members.

Comment

From 1 April, employers of live-in domestic workers should keep records of the hours worked to ensure that the wages received by these workers do not fall below the respective NMW/NLW. Penalties for failing to pay the NMW/NLW are high.

Employment Protection Awards

The maximum limits on employment protection awards are increased in April each year. From **6 April 2024** the rates are as follows and apply to all dismissals on or after this date:

Award	Current Rate Applies to dismissals from 6 April 2024	Previous Rate for dismissals before 6 April 2023
Unfair dismissal compensatory award (maximum)	£115,115 (maximum or 12 months' pay whichever is lower)	£105,707 (maximum or 12 months' pay whichever is lower)
One week's pay for statutory redundancy pay and basic award	£700	£643
Maximum statutory redundancy payment and basic award	£21,000	£19,290

Awards for discrimination claims have no maximum limit





Maternity and Paternity Pay

Statutory Maternity Pay and Statutory Adoption Pay are payable for a period of 39 weeks. Statutory Paternity Pay is payable for a period of 2 weeks. For births after 6 April 2024, the 2 weeks can be taken either consecutively or as two separate weeks at any time during the first 12 months after the birth provided the employee gives 28 days notice (minimum). Under the Shared Parental Leave scheme, it is possible for parents to share up to 39 weeks of the mother's maternity pay.

The rates are increased in April each year and from **6 April 2024** are as follows:

Type of Payment	Current Rate from 6 April 2024	Payment Period	Previous Rate from April 2022
Statutory Maternity Pay and Statutory Adoption Pay (higher rate)	90% of normal weekly earnings	First 6 Weeks	£172.48
Statutory Maternity Pay (basic rate)	£184.03 per week*	Next 33 Weeks	
Statutory Paternity Pay	£184.03 per week*	Either two periods of one week or 2 consecutive weeks during the year after birth from 6 April 2024.	£172.48

*or 90% of normal earnings, if lower.

Statutory Sick Pay

Statutory Sick Pay (SSP) is the minimum amount employers must pay an employee if they are incapable of work for 4 or more consecutive days. SSP entitlement starts from the 4th qualifying day of sickness absence up to a maximum of 28 weeks provided the employee meets the eligibility requirements. The employee must:

- have been incapable of work for at least 4 consecutive working days;
- earn on average at least £123 a week before tax; and
- informed their employer that they are unable to work due to sickness or injury within any deadline the employer has set or within 7 days.

Agency, casual and zero-hours workers are also entitled to SSP if they meet the above eligibility criteria.

From **6 April 2024**, the SSP rate is **£116.75** per week (previous rate - £109.40).

Discriminatory awards (injury to feelings) - Vento Guidelines

If a claimant is successful in a discrimination claim in the Employment Tribunal, they are entitled to an award of compensation for loss of earnings. There is no maximum limit unlike unfair dismissal claims. They may also be entitled to an additional award for injury to feelings. This award is a remedy for the hurt, humiliation or degradation suffered by the employee and is assessed depending on the seriousness of the discrimination with the Employment Tribunal applying the Vento Guidelines. The Vento Guidelines are revised annually by the Courts' and Tribunals' Judiciary.

For claims presented on or after **6 April 2024**, the bands of awards (known as Vento bands) have been updated to:

- Lower band (isolated incidents or less serious cases): £1,200.00 to £11,700.00.
- Middle band (more serious but not the most serious): £11,700.00 to £35,200.00.
- Upper band (most serious cases): £35,200.00 to £58,700.00.

The increases tend to be in line with inflation.

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Disclaimer – This update is intended to provide readers with information on recent legal developments. It should not be construed as legal advice or guidance on a particular matter.

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