

EMPLOYMENT UPDATE

EMPLOYMENT LAW CHANGES TO TAKE EFFECT IN OCTOBER 2009

National Minimum Wage ("NMW"):

The NMW sets minimum hourly rates that employers must pay their employees. From 1 October 2009 the NMW will increase as follows:

- for workers aged 22 and over: **£5.80** (rising from £5.73)
- for workers aged 18 to 21: **£4.83** (rising from £4.77)
- for workers aged 16 and 17: **£3.57** (rising from £3.53)

Tips and Gratuities:

From 1 October 2009 it will be unlawful for employers to use service charges, gratuities and tips towards the workers' NMW. Currently, such payments may count towards the NMW where the employer pays them through its payroll. Employers should therefore ensure that their basic wages comply with the NMW without any service charges, gratuities or tips being taken into account

In light of this change, the British Hospitality Agency has issued a voluntary code of practice aimed at encouraging the hospitality industry to improve communication with customers on how such payments are dealt with

Increase in the Maximum Weekly Limit:

From 1 October 2009 the maximum limit on a week's pay will rise from **£350 to £380** (which will then remain unchanged until February 2011). This amount is used to calculate certain awards made by Employment Tribunals, including the basic award for unfair dismissal and statutory redundancy pay

Safeguarding Children and Vulnerable Adults:

The Safeguarding of Vulnerable Groups Act 2006 will introduce a centralised vetting system for people working with children and vulnerable adults. On 12 October 2009 there will be a new duty on employers to make checks online and fines of up to £5,000 will be imposed where employers knowingly employ individuals listed on the system or fail to make the relevant checks

For further information or to arrange an appointment, please contact Elizabeth Pollock by e-mail at eep@brookenorth.co.uk, at Brooke North LLP, Crown House, 81-89 Great George Street, Leeds, LS1 3BR or by telephone on: 0113 297 9000