

April brings shower of employment changes

If the past couple of years have not been challenging enough for the caring professions, anyone responsible for running a childcare business still has to contend with the day-to-day issues. April, which marks the start of the new tax year, is always a busy time for changes to employment law, and 2022 is no exception.

For businesses already feeling the squeeze between rising costs and customers reluctant to accept any price hikes themselves, this year's changes may not make for happy reading.

Bumper increase in minimum wages

The various minimum wage rates that must be paid to staff of different ages has increased every April since 2016 and, before that, typically in October. But this year, sees minimum wage increases that are among the highest ever, as the government tries to keep pace with rising inflation.

The 'National Living Wage' that must be paid to employees who are at least 23 is rising by 6.6% to £9.50 per hour, which represents the biggest increase in the top rate since we stopped calling it the "National Minimum Wage". Those aged 21 or 22 are seeing their pay go up even more, with a 9.8% hike to £9.18 per hour.

It is apprentices who will do best of all though, as the 'Apprentice' rate is brought into line with pay for under-18s. This represents an increase of almost 12% for apprentices, to a rate of £4.81 per hour. Employees who are over 18 but not yet 21 are getting a more modest increase, to £6.83 per hour.

The statutory payments for Maternity Pay are also increasing, from £151.97 to £156.66 per week (or, if it is lower, 90% of the employee's average weekly pay). The same rate will also apply to Shared Parental, Paternity, Adoption and Parental Bereavement pay, as well as to the Maternity Allowance. At the same time, Statutory Sick Pay is also increasing, from £96.35 to £99.35 per week.

National Insurance increase

The April minimum wage hikes would be significant enough on their own, but the government is also introducing its temporary increase in National Insurance from April 6, despite criticism that those on the lowest salaries will be the hardest hit. Designated to help fund social care services and the NHS recover after the pandemic, the extra 1.25% applies to both employee and employer NI contributions.

The National Insurance increase should only be in place for one year but will be replaced by a new 'Health and Social Care Levy', at the same rate, in 2023.

'Right to work' checks

The relaxation of pandemic restrictions will inevitably see the return of some administrative chores. 'Right to work' checks conducted by employers to ensure prospective workers are legally permitted to work in the UK were relaxed during the pandemic, allowing documents to be checked electronically. However, from April 6, the physical documents must again be properly checked.

Bank holiday jubilee

After all this extra admin, a bonus day off should be welcome. However, the additional June Bank Holiday in celebration of the Queen's Diamond Jubilee could create more HR headaches.

There will inevitably be plenty of annual leave requests from staff keen to make the most of a four-day weekend - the usual end of May 'Spring Bank Holiday' is moving to June 2nd. Which employees are entitled to an additional day of paid leave will be likely to depend on how holiday entitlement has been defined in their employment contract. So, bosses will have to check their terms and conditions before deciding whether staff should benefit or not.

Help is at hand

All Morton Michel policyholders have access to a 24-7 legal advice helpline, which they can call to get guidance on any of the legal changes coming into force in April or any other legal or tax issue that their business may be facing.