

EMPLOYING PEOPLE: THE BASICS

Employing people for the first time and then keeping on the right side of the many employment laws that must be complied with can be a daunting prospect for small businesses.

In this article, Louise Walker of Just Employment Law explains the basics of employing people and outlines some of the most common traps that new employers can fall into.

Documents

Every employee in the UK must be given a written statement of terms and conditions of employment within two months of commencing employment. That statement must set out various pieces of required information such as the place of work, the rate of pay, holiday entitlement and pension arrangements. Employees must also receive written pay statements for each pay period.

Most employers will also operate a suite of employment policies on issues like their disciplinary and grievance procedures, equal opportunities and time off for 'family friendly' reasons. Employees don't necessarily need to get individual copies of these policies, but they should be kept somewhere reasonably accessible, perhaps in an employee handbook.

Pay and Pensions

Almost all employees are entitled to a minimum wage rate of some sort. The headline minimum wage rate for employees aged 21 or over is currently £6.70 per hour. From April 2016, employers will have to pay over 25s the 'National Living Wage' of £7.20 per hour. Lower minimum wage rates apply to younger workers and apprentices.

If you want to be able to make deductions from employees' wages, for reasons such as clawing back commission or recovering an insurance excess, then it is best to include the right to do this in the contract of employment. Otherwise, unless the employee signs a mandate to authorise the deduction at the relevant time, you won't have the legal right to make the deduction.

Under a new law, employers must also provide employees with a workplace pension, to which both parties contribute. The date you must do this from is called your 'staging date', and is likely to fall between now and 2017. The exact date can be found by going to the Pensions Regulator's website and entering your PAYE reference.

Holidays

Every employee in the UK is entitled to 5.6 weeks' paid holiday each year. This equates to 28 days for a full-time employee.

If you have service staff who get paid overtime or sales staff

who earn commission, the law now requires you to take these additional payments into account in calculating holiday pay in most circumstances.

You can specify times of the year when you require employees to take holidays, but again it is important that this is included in the employment contract.



Louise Walker.

Driving Licences

A valid driving licence is often an essential requirement to work in the motor trade. Before you allow employees to drive your vehicles or those of your customers, it is vital to check they are properly licensed and that they meet any conditions applicable to your insurance policies.

DVLA has abolished paper counterparts to photocard driving licences, and there is now an online system for checking the status of your licence. Your employees can go online and generate a permission code to allow you to carry out this check. It is important that you require employees to do this periodically.

Discrimination

The Equality Act 2010 prohibits unlawful discrimination, harassment and victimisation in respect of a number of protected characteristics. These protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

Terminating Employment

If an employee's performance or conduct is unsatisfactory, you might wish to terminate the employment. It's normally advisable to have an initial probationary period, during which employment can be terminated on reasonably short notice if it quickly becomes apparent that the employee is not suitable.

Once an employee accrues two years' continuous employment, they have the right not to be unfairly dismissed. This means that you need a fair reason for dismissing, and you need to act reasonably in carrying out the dismissal. It is always recommended to take legal advice before dismissing employees, or where disputes arise relating to pay or discrimination.

For more information:

www.justemploymentlaw.co.uk