

Legal Column October 2009

Clare Waller, a Director of HRJ Law LLP, a legal firm with offices in Hitchin and Welwyn Garden City is on hand to answer your legal problems. Please email them to clare.waller@hrjlaw.co.uk. We regret that no personal correspondence can be entered into.

I am aware that there are quite a lot of changes in employment law coming up in the next few months. As an employer in the hotel business what do I need to know?

Whilst as an employer it is important to have an understanding of employment law it is also important that you seek professional advice as this is a complex area and failure to comply risks heavy fines. However here are the headline details regarding the most significant changes:

i) National Minimum Wage (NMW)

The annual increases to the various bands of NMW come into force on 1st October.

The relevant minimums will be:

- £5.80 per hour for adult workers, an increase from £5.73
- £4.83 per hour for workers aged 18-21, an increase from £4.77
- £3.57 per hour for workers above the compulsory school age, an increase from £3.53



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Of particular importance to you is that, also with effect from 1st October, tips and service charges, which are commonly used within the hospitality industry as a mechanism for discharging an employer's liability to pay the NMW when paid through payroll and subject to the relevant statutory deductions, will no longer count towards NMW. Therefore you will have to ensure that payment before the addition of tips or other gratuities is at or in excess of the relevant NMW level.

ii) Statutory Redundancy Payment

The maximum weekly pay which will be taken into account when calculating a statutory redundancy payment will be increased in respect of redundancy dismissals taking effect on or after 1st October from £350 to £380 per week. The normal annual increase scheduled to come into effect on 1st February 2010 will not occur, with the next increase scheduled for 1st February 2011.

iii) New Rights for Families

The Department for Business, Innovation and Skills has announced that it intends to implement the proposal to allow part of the maternity leave to be taken by fathers for children born on or after 3rd April 2011. This would enable the father to take up to 6 months off during the second 6 months of the child's life, once the mother has returned to work. It appears likely that this period would be paid only to the extent that there was any of the 39 weeks paid leave entitlement remaining.

Please note that the answers provided are for general guidance only. If you have any legal problems you should always ensure that you obtain specific legal advice.