

Breedon Bulletin

Spring Brings Change

Welcome to the April edition of the Breedon Bulletin. Spring is traditionally a time of change, and this year is no exception in the world of HR and employment law. Several new rules and statutory updates come into effect this month, and it's vital that employers stay on top of these developments.

In this edition, we're covering some of the most important changes you need to know, including the introduction of neonatal leave, updated statutory pay rates, and reminders around other legal updates. As always, our aim is to help you navigate these changes with confidence and stay compliant.

Neonatal Care Leave and Pay - now in force

From 6th April 2025, employees are entitled to neonatal leave and pay - a significant new right for working parents whose babies require specialist neonatal care.

Key Points:

- Employees whose baby is admitted to neonatal care within 28 days of birth are entitled to up to 12 weeks' paid leave, on top of existing maternity, paternity or adoption leave.
- Leave is available from day one of employment, although pay is subject to eligibility criteria.
- Statutory Neonatal Pay will be in line with other family-related pay entitlements.

This new entitlement reflects a broader shift in employment rights that support family wellbeing and work-life balance. Don't forget to update your employee handbooks or family friendly policies to reflect the new rights.



New Statutory Rates April 2025

Each April brings updated statutory pay rates. Here are the key figures effective from 6th April 2025:

National Minimum Wage and National Living Wage:

- NLW (21 and over): £12.21 per hour
- 18–20: £10.00 per hour
- 16–17 and apprentices: £7.55 per hour

Family-Related Pay:

- Statutory Maternity, Paternity, Adoption, Shared Parental Pay: £187.18 per week
- Statutory Sick Pay (SSP): £118.75 per week

Statutory Redundancy Pay:

- Maximum weekly pay: £719
- Maximum award: £21,570 (30 weeks)



What else is happening?

There's plenty going on, not only in the world of HR but in related areas too. Here's some of the headlines...

Employers NI: As outlined in the Autumn Budget 2024, the employer rate for National Insurance contributions (NICs) will rise from 13.8% to 15%.

The secondary threshold, above which employers must start paying NICs, will be reduced from £9,100 to £5,000, and this lower threshold will remain in place until 5 April 2028. After that, it will be adjusted annually in line with the Consumer Price Index.

The Employment Allowance, which allows employers to reduce their NICs liability, will increase from £5,000 to £10,500. Additionally, the £100,000 eligibility cap for claiming the Employment Allowance will be removed.

Immigration: Starting from 2 April 2025, all eligible European nationals who do not possess any other UK visa will be required to have an Electronic Travel Authorisation (ETA) to travel to the UK. The application process became available on 5 March 2025.

IR35: From financial years beginning on or after 6th April 2025, increases to the turnover and balance sheet thresholds mean that some organisations will no longer fall within the scope of the IR35 rules.

Employment tribunal awards: As of 6 April 2025, the limits on employment tribunal awards will rise. This includes an increase in the basic award for unfair dismissal from £8,533 to £8,763, and an increase in the compensatory award from £115,115 to £118,223.

State pension: On 7 April 2025, the basic state pension will rise from £169.50 to £176.45 per week, while the new state pension will increase from £221.20 to £230.25 per week.

Miscarriage and Pregnancy Loss Leave Moves Forward in the House of Lords

The Government has confirmed that proposed amendments to the upcoming Employment Rights Bill regarding miscarriage leave will proceed to the House of Lords, stating earlier this month that it "fully accepted" the principle of bereavement leave for pregnancy loss.

Sarah Owen, Chair of the Women and Equalities Committee and the lead MP advocating for the amendments, is pushing for paid leave to be made available to all women and partners affected by pregnancy loss before 24 weeks.

In response to the Women and Equalities Committee's January report examining the feasibility of this amendment, the Government acknowledged that greater support is needed for parents who experience pregnancy loss before 24 weeks.

This month sees the introduction of the Neonatal Care (Leave and Pay) Act, providing eligible parents with 12 weeks' paid leave for babies born prematurely, but there is currently no entitlement in place for those affected by pregnancy loss before 24 weeks. Parental bereavement leave, introduced in 2020, applies to those who experience a stillbirth after 24 weeks of pregnancy.

The Women and Equalities Committee's report referenced data indicating that over one in five pregnancies end in loss before reaching 24 weeks. Given that the Government is promoting the adoption of "generous and flexible" policies for pregnancy loss leave prior to 24 weeks, this is likely to be another area of significant impact to employers..

Whilst the Government has not yet committed to statutory paid leave, it is actively considering options. We'll bring you more on this as the proposals move forward.

The end of fire and rehire...who'd have thought it would have such a massive impact?



The Employment Rights Bill introduces changes to the rules surrounding dismissal and re-engagement practices, commonly referred to as "fire and rehire." Although the implementation date hasn't yet been confirmed, it's generally thought likely that this significant enhancement to employee's rights will come into force in October 2025...that's just 6 months away!

According to the Bill, a dismissal will be deemed automatically unfair if the main reason for it is either:

- the employee's refusal to accept a proposed change to their employment contract, or
- the employer's intention to hire someone else, or to rehire the same employee, under a revised contract to perform essentially the same role.

Although there will be a very limited exception if the employer can prove that the dismissal was truly a last resort to prevent imminent business collapse, it looks as though the days of fire and rehire appear to be behind us.

At first glance this might appear fairly innocuous, but in reality the consequences are likely to be **MASSIVE!**

What this means in real terms is that it's about to get a whole lot more difficult to make changes to employees terms and conditions of employment, for any reason. And that includes terms which may not be written down but which are classed as contractual due to custom and practice.

Imagine the scenario where a contract cleaning company provides out of office hours services to a large client. The client asks the company to change the hours they attend their offices. As a result, to retain the business, the cleaning staff's contractual shift patterns need to be changed.

Under the current rules, and subject of course to having a sound business case and a full consultation process, if employees don't agree to the change the company has the option to force through the change by terminating the contract of employment and re-engaging the employees on new terms including the new shift pattern. It isn't without risk, but it's possible. Under the new rules, that will all end, and doing this will be classed as an automatic unfair dismissal. So what do they do? Dismiss them or leave the shift unchanged?

Likewise, the need to amend the terms of a contractual commission or bonus scheme will carry the same risk if employees don't agree to the change.

Thorough consultation and negotiation is likely to help, but it looks like the time is right to review contracts of employment and in particular introduce robust variation clauses before this legislation change comes into force.

The government set out to '*end unscrupulous fire and rehire practices and to ensure that there are effective remedies against abuse*' but the cure may well be worse than the disease!

We're working hard on plans to mitigate these risks, including strengthening relevant procedures and drafting robust variation clauses which have previously held to be effective at tribunal. Watch this space for more...



Focus on

Update Service - Employment Rights Bill

Save time & effort: no more scrambling to decipher the latest legislative changes. We do the hard work for you, so you can focus on running your business.

The Employment Rights Bill is evolving rapidly. Staying on top of the latest legal updates isn't just a headache, it's a challenge that can overwhelm even the most seasoned business leaders. To make things even better, the regulations won't be implemented all at once; instead, they will evolve gradually, with new developments and clarifications emerging regularly, possibly every month, that will require prompt attention.

The Risks of Falling Behind:

- **Costly Tribunal Claims:** Failing to update employment contracts or handbooks with the latest changes could lead to expensive tribunal claims and increased compensation payouts.
- **Damage to Reputation:** Non-compliance can harm your business's reputation, whether it's with your employees or clients.
- **Managerial Confusion:** New rules will place extra pressure on managers, risking mistakes, inconsistent practices, and workplace grievances.

How we can help:

The Breedon Employment Rights Bill Update Service takes the weight off your shoulders. We'll ensure your contracts of employment and employee handbooks are always compliant and up to date without you having to worry about missing any of the latest legal changes:

- **Stay compliant:** employment law is constantly evolving, and failing to keep up can result in fines, legal actions, and irreparable damage to your reputation.
- **Reduce risk:** by having updated documentation, you reduce the risk of legal disputes and ensure your business practices are always in line with the latest regulations.



What's Included in the Service:

- **Contract & handbook updates:** Each time the Employment Rights Bill is amended, we'll make any necessary revisions to your contracts of employment and employee handbooks to ensure they are fully compliant.
- **Explainer videos or webinars:** Every update will be accompanied by a clear, concise video or access to a webinar, explaining the practical implications of the change, how it affects your business, and highlighting any areas to be addressed to minimise associated risks.

The service will run from April 2025 to March 2027, to ensure all legislative changes are incorporated, some of which aren't anticipated until late 2026, all for a one-off all inclusive fee.

This service is included in our proactive HR support packages, so clients on a package are already covered.

Stay ahead of the curve. Let us handle the complexity of keeping your contracts, handbooks and associated practices up to date. Contact us now to help you avoid the chaos and stay compliant!

We've got you covered – Your peace of mind, guaranteed.



Questions & Answers

Is an employer liable for third party harassment of their employees?

From 26 October 2024, employers have had a legal duty to take reasonable steps to prevent sexual harassment of employees, including by third parties, though employees cannot bring standalone claims for such harassment. However, under the Employment Rights Bill, provisions have been proposed to make employers liable for third-party harassment if they fail to take **all** reasonable preventative steps, with the implementation date yet to be confirmed.

Do we need to offer neonatal leave to an employee who has only recently joined us?

Yes. Neonatal leave is a day-one right. Pay eligibility will depend on earnings and service, but the leave itself applies to all.

How much does an employee have to pay to raise a tribunal claim?

Claimants are not currently required to pay a fee to bring an employment tribunal claim. Back in 2017, the Supreme Court ruled that the tribunal fees system was unlawful, as it restricted individuals' access to justice. As a result, the legislation introducing the fees was overturned. It remains unclear whether the Government will implement a new fee structure in the future.

Let's talk on the phone

Here are three questions for you:

- Do you currently have HR support?
- On a scale of 1 to 10, how happy are you with them?
- If the answer isn't "I'm so delighted I could print 1,000 flyers to spread the word about them", let's jump on a video call

You know just how important it is to get proactive, responsive HR support. That's what we do. And we're taking on new clients.



YOUR HR EXPERT



**Set up a 15 minute exploratory call at
www.breedonconsulting.co.uk**

