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The Good Work Plan

Significant employment law reforms took place on 6 April 2020, which will have a huge impact for many SME's under the Good Work Plan 2020, details of which are below.

1. Contracts of Employment

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Post 6th of April 2020 all new starter employees have a day one right to a contract of employment. Previously you had 8 weeks to provide a new starter with a contract. Now it must be given on the first day, if not before.

In addition to the previous Section 1 employment particulars requirements, all statement of terms/contracts of employment must include:

- Full details of the hours of work, including days of work, and the hours they will be expected to work on those days, and whether they are variable. If they are variable how they vary and what factors determine the variation, examples would be shift patterns, or seasonal increased workloads.
- Full details of all types of leave the individual is entitled to from statutory leave through to company offered leave. This clause will include the new bereavement leave referred to on the next page.
- All benefits offered to the individual that is not already recorded elsewhere in the statement of terms/ contract of employment. This clause may set out benefits such as life assurance, private medical insurance, injury insurance etc.
- Details of any probationary period the company will enforce. The clause will need to set out the conditions of the probationary period and the duration as applicable.
- Full details of any training entitlement provided, this will include information about compulsory training that will not be funded by the employer. An employer would record in this clause any training on ongoing development that is deemed necessary, essential, or desired by the employer of their employee/worker.

These changes/additional clauses need to be inserted in to the contracts of all employees that start work on, or after 6th April 2020. Anyone exchanged on a contract before 6th February 2020 does not need to be issued with a new contract, compliant with the new requirements, unless the employee/worker asks for an updated and compliant contract, or an event occurs that means a new contract needs to be drawn up, such as a promotion, or change/amendment of terms. This request for an update does not have to be in writina.

2. Agency Workers

From the 6th April 2020 after the 12 week qualifying period an agency worker will be entitled to the same pay as an employee.

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Furthermore by 30th April 2020 these workers must receive written confirmation from the agency to confirm the change in salary.

Finally, if an agency worker is engaged after 6th April 2020 then they must be provided with key information setting out their terms of engagement, consideration may also be given to reviewing the status and contracts held by existing agency workers.

3. Holiday Pay

As of the 6th April 2020 the holiday pay reference period is expanded from 12 weeks to 52 weeks.

To be clear an employer will not count any weeks where the employee/worker did not work/get paid, only counting 52 weeks of work/receiving pay. The employer will then average out the pay.

This calculation needs to be completed every period of annual leave.

4. Parental Bereavement Leave

This is a new statutory leave provision introduced as of 6th April 2020, and now needs to be included in all new contracts of employment.

The statutory entitlement is 2 weeks paid leave following the loss of a child under the age of 18, or a still birth after 24 weeks of pregnancy. The leave can be taken in 1 block or broken down into 2 lots of 1 weeks bereavement leave. The full entitlement must be taken with 56 days of the death of the child.

This leave is in addition of any other statutory or discretionary leave available to the employee such as sick leave or compassionate leave.

If the bereaved individual has been employed for 26 weeks continuous service, and earns on average £120 p/w before tax, then they will be entitled to Parental Bereavement Pay.

The current rate of Parental Bereavement Pay is whichever is lower of:

- £151.20 a week
- 90% of their average weekly earnings

The term parent under the legislation has a broad definition. It includes:

- Biological parent
- Adoptive parent, if the child was living with them
- Person who lived with the child and had responsibility for them, for at least 4 weeks before they died 'intended parent' due to become the legal parent through surrogacy
- Partner of the child's parent, if they live with the child and the child's parent in an enduring family relationship.

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