

9 March 2020

# Briefing Note

## CECA Employment Briefing: Changes To Statutory Entitlements

### Coronavirus & SSP

Last week the Prime Minister announced in PMQs that those self-isolating would be entitled to SSP from day one as opposed to the current rule that requires three waiting days before SSP becomes payable.

The media has projected this as an immediate entitlement.

This is not the case.

What the Government is doing is putting in place legislation to allow SSP to be paid from day one for those who are required to self-isolate as and if the numbers required to do so reach a particular level which remains to be defined.

If the new SSP rules do trigger, then CECA will notify members. That said the media will also publicise it. In any event we are not at that stage yet. So, nothing has changed.

One question is how do we treat Industry Sick Pay (ISP) under the provisions of the CIJC Working Rule Agreement (WRA). The entitlement for which virtually mirrors that for SSP?

ISP is a contractual entitlement, over and above the SSP entitlement, under the provisions of the WRA. It provides for three waiting days before it becomes payable and the current view is that this should prevail. That said there is nothing to stop an employer exercising discretion and in cases of required self-isolation by paying ISP from day one, if the SSP rules do change.

It must be noted that the possible changes to SSP entitlement will be both temporary and apply only to those who are required to self-isolate with reference to the Coronavirus crisis.

For those who want further authoritative information [this HMRC web link](#) will help.

Furthermore, [this link](#) will provide further information on self-isolation.

### Changes to the calculation of Holiday Pay

Currently holiday pay for those whose earnings vary each week due to overtime, bonus, commission and other variable contractual earnings is calculated by reference to the previous 12 weeks of earnings.

From 6 April 2020 the 12 week reference period will increase to 52 weeks.

The Department for Business, Energy and Industrial Strategy (BEIS) says the intention is that the 52-week reference period will work in much the same way as the 12-week reference period does. Employers would have to count back over the last 52 weeks that a worker worked and received pay, excluding weeks where the worker did not work or receive pay.

Where there are fewer than 52 weeks of pay information, the employer would have to include as many whole weeks of pay information as are available.

Further information which may be of interest to members is available [here](#).

## Increases in Statutory Entitlements

### Effective 1, 5 & 6 April 2020

April each year normally sees increases in statutory employment entitlements. However, and confusingly, these increases do not all occur at the same time. Increases in the national living and minimum wage rates are on the 1<sup>st</sup> April whereas redundancy and other compensatory rates are on the 6<sup>th</sup> April and maternity, paternity, etc, are on the first Monday in April, which this year is the 6<sup>th</sup>.

### National Living Wage (NLW) from 1 April:

Payable to those aged 25 and over	Old £s per hour	New £s per hour
	£8.21	£8.72

### National Minimum Wage (NMW) from 1 April:

	Old £s per hour	New £s per hour
Adult rate - 21 to 24	£7.70	£8.20
18 to 20 year olds	£6.15	£6.45
16 to 17 year olds	£4.35	£4.55
Apprentice under 19, or in first year of training*	£3.90	£4.15

\* N.B. CIJC has separate apprentice rates.

### From 6 April:

	Old limit	New limit	Maximum
Redundancy Pay: Limit on a week's pay	£525	£538	£16,140
Unfair Dismissal Basic Award: Limit on a week's pay	£525	£538	£16,140

	Old limit	New limit
Unfair Dismissal Compensatory Award	£86,444	£88,519 limited to 1 year's wages

Unfair Dismissal Award For Discrimination	No limit
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Guarantee Pay*	Old £s per day	New £s per day
Limit on a day's pay during short-term or temporary lay-off in respect of the first 5 days in any 13 week period	£29.00	£30.00

\*The CIJC Working Rule Agreement provides lay-off pay based on the actual basic pay for the first five days of lay-off in any 13 week period.

Statutory Sick Pay	Old £s per week	New £s per week
Per week	£94.25	£95.85

**From 7 April:**

Statutory Maternity, Paternity, Adoption, & Shared Parental Pay	Old £s per week	New £s per week
Per week	£148.68	£151.20

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