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Risk Management and Employee Benefits webinar



Agenda

1. 2024 changes in Employment Law
2. 2025 changes in Employment Law
3. The Employment Rights Bill and what's coming down the tracks
4. The role of Employee Benefits in retention
5. Q&A

HR Support

Removing, reducing, and managing risks to protect your business

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What do you currently do for HR Support?

1. Manage all HR internally
2. Use Clear HR Support
3. Use another external consultant
4. I'm just winging it!



Legislation changes

Updates in 2024

- Protection from Redundancy – Extension
- Carer's Leave
- Changes to Paternity Leave
- Flexible Working Legislation

Legislation changes

April 2024

Protection from Redundancy - Extension



Extended on the 6th April 2024



Now covers pregnant employees from the date they inform the employer of their pregnancy



Up to 18 months following the date of childbirth/adoption



Reminder that this covers those on maternity, adoption or shared parental leave.

Legislation changes April 2024

Carer's Leave



Employees are entitled to one week of unpaid leave in any 12-month period to cover caring responsibilities



Must be for a dependent with long-term care needs



Can be taken in ½ day blocks to a full week and doesn't need to be in a consecutive block



Need to give 3 days' notice or double the amount of the time requested (whichever is longer).

Legislation changes April 2024

Paternity Leave



Paternity leave can now be taken in two separate one-week blocks



Can be taken any time in the first year after birth or adoption



Need to give 28 days' notice of their intention to take leave



Employees still need to give notice of their entitlement to the leave by the qualifying week.

Legislation changes

April 2024

Changes to flexible working legislation



Flexible working became a day one right



Employees can make 2 requests within a 12-month period



Employers must consult with employees before refusing a request



Employees no longer need to explain the impact of their request.



Legislation changes - July 2024

Changes to TUPE legislation

- Employers can now consult directly with the employees when either;
 - They employ fewer than 50 employees
 - The transfer involves less than 10 people



Legislation changes - July 2024

Fire and Re-Hire Code of Practice

- New code of practice outlines that whilst not unlawful this method should only be used as a last resort
- Code outlines that first the employer should start a consultation with the employee for 'as long as reasonably possible'
- Code also outlines that fire and re-hire threats cannot be used as a negotiation tool
- **NOTE – Labour pledged to make it unlawful**

Employment Allocation of Tips Act 2024

- Entirety of tip needs to go to the employee (except tax etc)
- Determines that service charges and card gratuities are defined as eligible tips for the purpose of the act and must be paid by the end of the month following the month in which they were received
- Companies must have a tipping policy to outline their processes and share these with employees
- Must maintain records on tips (three years) and provide it on request to an employee within four weeks.

If an employee reports an incident of sexual harassment by a colleague but asks you not to take it further and keep it confidential, what would you do?

1. Take action anyway, you have a responsibility as a business
2. Respect their wishes of confidentiality and take no action
3. Advise management to keep an eye out but do not take formal action

Worker Protection Act

- Creates a new proactive duty for employers to take reasonable steps to prevent sexual harassment
- Tribunals will have the power to apply a 25% uplift to sexual harassment compensation if they don't feel the employer complied with the act
- Reminder that sexual harassment at work includes events where the employee is representing your business even if they are not in the office/on premises and events connected to the business.



Legislation changes

April 2025 changes

- Neonatal Care (Leave and Pay) Act 2023
- National Minimum Wage Increases
- Statutory Payments Increase
- National Insurance Increase

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Neonatal Care (Leave and Pay) Act 2023

Comes into force – April 2025

- Gives parents up to 12 weeks of paid leave if they have babies who are admitted into hospital
- The baby must be admitted up to the age of 28 days and have a continuous stay of 7 days or more
- Minimum entitlement of one week in addition to other maternity, paternity, and shared parental leave entitlements
- To qualify, an employee must be employed for a minimum of 26 weeks prior to the leave being requested and be earning an average of at least £123 a week
- Leave must also be taken in the first 68 weeks of the baby's birth.

National minimum wage increases

Comes into force April 2025

| | NMW Rate | Increase (£) | Increase (%) |
|---------------------------------------|---------------------|-------------------------|-------------------------|
| National Living Wage (21 and over) | £12.21 | £0.77 | 6.7 |
| 18-20 Year Old Rate | £10.00 | £1.40 | 16.3 |
| 16-17 Year Old Rate | £7.55 | £1.15 | 18.0 |
| Apprentice Rate | £7.55 | £1.15 | 18.0 |



Statutory payments increase

Changes in 2024

- Statutory payments increase to £184.03 or 90% of the employee's average weekly earnings (whichever is lower)

These payments cover the following:

- Maternity Pay
- Paternity Pay
- Adoption Pay
- Shared Parental Pay
- Parental Bereavement Pay

National Insurance increases

Changes in 2024

- Changes will come into place on 6th April 2025
- The secondary threshold which is currently £9,100 will be reduced to £5,000
- The rate also increases from 13.8% to 15%
- Support for small businesses through Employment allowance who will be able to claim £10,500 up from £5,000



Legislation changes

Upcoming changes or proposals

- Paternity (Bereavement) Leave Act
- Employment rights bill
- Equality (Race and Disability) Bill
- Right to switch Off – Code of Practice
- Children's Wellbeing and Schools Bill
- Pensions Scheme Bill

Paternity Leave (Bereavement) Act 2024

May 2024 – Royal Assent Granted

- Grants working fathers and non-birthing partners rights to immediate paternity leave if the mother dies
- No minimum service requirements
- Extends to both biological fathers and partners, including those in same-sex and civil partnerships
- Not specified – the actual length.

Consultation

- The bill includes 28 individual reforms aimed at boosting pay and productivity and improving job security.
- **Key Highlights:**
 - Remove the two-year qualifying period for protection from unfair dismissal
 - Introduce day-one rights to paternity leave, parental leave and others
 - Remove the lower earnings limit and the 4-day waiting period for statutory sick pay
 - Extend tribunal threshold from 3 to 6 months.

How do you currently manage probation periods?

1. We don't!
2. We have a probation period but don't actively sign employees off at the end
3. We actively manage by confirming the outcome of probation whether pass, extend or fail

January consultation

- **Carer's Leave:** One week's paid leave for employees who care for someone with long-term needs, and "caring" will become a protected characteristic under the Equality Act 2010.
- **Whistleblowing Protections:** Expanding unfair dismissal protections for whistleblowers.
- **Kinship Care Leave:** A new right allowing employees to take up to 52 weeks of leave for kinship care arrangements.
- **Disciplinary and Grievance Hearings:** Employees can be accompanied by a certified companion at such hearings.

Practical takeaways

Probation Periods

- Review your current probation process
- Do you actively sign off on probation periods
- Do you actively tackle performance/conduct issues during probation

Absence Recording

- Do we have systems in place
- Are you aware of the 'norm' when it comes to absence levels
- Focus on whether employees are 'regular attenders'



Equality (Race and Disability) Bill

In draft – to be published

- For organisations with over 250 employees, the bill will mandate ethnicity and disability pay gap reporting
- Extends right to make equal pay claims on the grounds of disability and race
- Looks to create a regulatory and enforcement unit for equal pay.



Bullying and Respect at Work Bill

Proposal stages

- Provide a statutory definition of bullying at work
- Create a new claim relating to workplace bullying
- Define minimum standards for positive and respectful work environments
- Extra powers to the Equalities and Human Rights Commission.



Right to switch off

Statutory Code of Practice

- New statutory code of practice
- Ability to ignore work emails, calls and messages
- March Update – currently seems to be excluded from the employment rights bill.

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Domestic Abuse (Safe Leave) Bill

Proposal stages

- Relates to Domestic Abuse Act 2021
- Aims to introduce 10 days of paid leave
 - Unsure whether that is full pay or statutory pay at the moment
- Second reading on 20th June 2025.

Children's Wellbeing and Schools Bill

Proposal stages

- Aims to protect children and improve education
- Has some employment law ramifications
- Standardises core pay and conditions framework for maintained schools and academies
- Some amendments to allowed working times of young adults and children



Employee Benefits

A smart investment for employers?

A thick teal line starts from the right edge of the slide, curves downwards and to the left, and then continues to curve upwards and to the left, ending near the bottom left of the slide.

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What challenges has your business faced since the pandemic?

1. Cost of living increases
2. Higher sickness absence in the workplace
3. Keeping employees motivated and engaged whilst working from home
4. Labour shortages – finding experienced employees



Factors that have increased the popularity of offering Employee Benefits

- ✓ Over the years popularity to offer benefits has increased **BUT** the pandemic increased awareness of health, wellbeing and financial security for everyone.
- ✓ NHS waiting times – employee concerns over access to medical services has put a greater demand on employers.
- ✓ Cost of living increases has driven concerns over financial wellbeing.
- ✓ A very competitive and buoyant recruitment market – companies are using benefits as a way to attract and retain top talent.
- ✓ No longer a specific type of client that will buy Employee Benefits – could be any sector.

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Sickness absence

Census by Office for National Statistics:

During the census in 2018, an estimated 141.4 million working days were lost due to sickness or injury in the UK, which was equivalent to 4.4 days per worker.

In 2022 this rose to 185.6 million (equivalent of 5.7 days per worker), all age groups and sectors experienced increases in their sickness absence rates.

Alternative and more recent reports by providers, estimate absence could now be at a record high of 7.8 days per employee.

A total of 17.1 million working days were lost due to work-related stress, depression or anxiety in the 2022-23 financial year, which accounted for 49.4% of all work-related ill health cases.



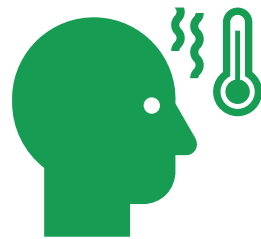
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A YouGov Survey Reported:

- 80% of people surveyed were worried about their Financial Wellbeing! Increasing to 88% for parents looking after young children.
- 57% expected their level of concerns to grow with cost-of-living pressures.
- Nearly half believed their employer should take responsibility to improve their financial wellbeing, over and above legal requirements, this differs by generation and rose to 69% in 25–34-year-olds.
- 80% of people noted that stress around financial wellbeing negatively impacted their performance in the workplace – but only 21% felt they could discuss financial stresses with their employer.
- A quarter of workers feel their workplace does not clearly explain the financial support it can offer.
- Only 7% of employees believe financial wellbeing is not important in attracting and retaining talent.

Absenteeism, Presenteeism and Leaveism

These are three major indicators of the overall health and productivity of a workforce:



Absenteeism occurs when people are sick, injured, unwell or are unable to come to work due to circumstances such as bereavement.



Presenteeism occurs when people go into work despite feeling unwell, either physically or mentally, and they are unable to give their best.



Leaveism is a relatively new phenomenon where employees continue to work outside of office hours to complete their tasks as they are unwilling to switch off from their job.

Unlike Absenteeism, Leaveism can be hard to identify or measure, employees often do not want to speak up or admit they are unable to complete their workload during allocated office hours due to concerns that such an admission could damage their work reputation.

What factors drive a business to offer Employee Benefits to their workforce?

1. Attracting and retaining employees to your business
2. Promote health and wellbeing in the workplace
3. Keep up with your competitors
4. Absence/Sickness risk management

Do Employee Benefits offer a return on investment?

- Increased employee retention – studies show replacing an employee can cost up to 50-200% of their annual salary.
- Higher productivity and engagement – benefits can lead to healthier and less stressed employees, which can increase productivity by 25%.
- Reduced absenteeism – access to support allows employees to recover faster leading to fewer sick days, wellness programmes have shown to reduce absence by 30%.
- Better Talent Acquisition – competitive benefits attract top talent, 60% of employees consider employee benefits a major factor when choosing an employer.
- Stronger company culture and moral – employee's that feel supported and valued contribute to a positive workplace, improving teamwork and innovation.



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Types of covers offered

Health benefits

- Private Medical Insurance
- Group Health Cash Plans
- Group Dental Insurance
- Employee Assistance Programmes
- Health Screening

Group risk

- Group Life
- Group Income Protection
- Group Critical Illness

Other benefits include

- Pension
- Hybrid Working
- Cycle to Work Schemes
- Childcare/Nursery Vouchers
- Access to Discount Sites
- Electric Car Schemes



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Employee Benefits: insurer innovation



Employee Benefits offer a wide array of options for varying budgets - many are insurance based.



To a lot of people insurance is usually seen as ‘you don’t want it until you need it!’ or “a safer than sorry” philosophy.



But there has been a large shift in the way insurance companies are working, much more around prevention rather than just cure.



A lot of this has been driven by changes Vitality have brought to the market.



Focus on Employee Support with Digital GP Services, Mental Health Support, Financial Advice, Discounts and Savings in Wellbeing and savings for health checks.

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Case studies – everyday solutions

Access to Digital GP Service:

- Prompt access to Primary Medical Care
- Avoids time out of the workplace
- Convenient to Employee and Employer
- Valued benefit by employees offering peace of mind

Access to Employee Assistance Programme:

- Offering a wide variety of lifestyle support
- Health including counselling services, Financial, Wellbeing, Legal
- 24/7 Access
- Management/HR support



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Q&A

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Thank you for listening!

Got a question for the teams? Speak to one of our specialists via:

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