

iGlobal Law 2021 Annual Alert : United Kingdom

Legal Change	Effective Date	Action required
<p>Coronavirus Job Retention Scheme This government scheme enables employers to put employees on "furlough" and claim 80% of salary up to GBP2,500 per month per employee.</p> <p>Originally set to end on October 31st, 2020 it was extended to March 31st, 2021 due to the second UK lockdown. The extended version allows employees to work some hours and have their unworked hours covered.</p> <p>Employers must now pay National Insurance and Pension contributions for furloughed employees.</p>	<p>Extended Scheme ends on March 31st 2021</p>	<p>Keep up to date with the rules and deadlines. The government website provides clear guidance.</p>
<p>Independent Contractors and Tax Medium and large businesses that use individual contractors will be affected by this change, originally due on April 6 2020 but delayed until April 6th 2021.</p> <p>Affected businesses have 2 of the following: - more than 50 employees - net turnover in excess of £10.2m - more than £5.1m on their balance sheet.</p> <p>At present, where a worker provides services to a client through an intermediary company it is the responsibility of the intermediary company to determine if the worker is a "deemed employee" of the paying end user client for tax purposes (IR35).</p> <p>From April 6th 2021 it will be the responsibility of the end-user client to make that status determination and act accordingly for tax purposes if the determination is that the worker is its deemed employee.</p>	<p>April 6th 2021</p>	<p>It is essential that affected businesses assess whether the new rules apply to their independent contractors.</p> <p>Where they do, changes to service contracts and payroll will be required.</p>
<p>Employment Bill Announced in 2019 this bill was delayed and publication is now expected in 2021.</p> <p>It is expected that the Bill will make changes to labour market enforcement, payments of tips and service charges, protection of vulnerable workers, contract rights for variable and unpredictable hours workers, redundancy protection during pregnancy, parental leave for children in neo natal care and right to leave for carers.</p>	<p>Publication date has not yet been announced but is expected in 2021.</p>	<p>Nothing at this stage but keep an eye out for the draft legislation.</p>
<p>Brexit At the end of the Brexit transition period on December 31st 2020, UK courts are no longer bound by new EU decisions and can divert from previous EU rulings in certain circumstances.</p>	<p>December 31st 2020</p>	<p>Too early to know what the impact will be on UK employment law.</p>