



Welcome

Welcome to the first issue of *Employment Matters* - the new monthly newsletter from Pinnacle Development Solutions. Through the newsletter, we aim to give you:

- the latest developments in human resources and training issues and changes to employment legislation,
- advice about how they will affect your business, and what you need to consider, and
- best practice and new developments in the HR and training field.

Who we are

Pinnacle is an extremely successful human resource and training consultancy that has successfully completed three years of business. Its consultants and associates have over 20 years of experience within the human resources and training arena.

We provide support and advice on a range of HR issues, from recruitment, business reorganisations, acquisitions and mergers to dealing with specific issues you may have with your employees. We also specialise in providing employment documentation, such as contracts of

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employment, policies and procedures, and employment handbooks.

And for those companies that find the ever-changing employment legislation and interference from Government too much deal with when it comes to managing their own human resources issues, well, we can manage it on their behalf and offer a varied range of outsourced HR solutions.

So, welcome - we hope you find this newsletter of interest.

Key developments in October

Holiday entitlement increases

The Work and Families Act 2006 contains a provision to increase the statutory minimum paid holiday entitlement from 1 October 2007. The Government intends to increase the statutory paid holiday entitlement from 4 weeks (which could include bank holidays) to a maximum 5.6 weeks by April 2009.

The statutory entitlement will be capped at 28 days, although, as an employer, you can provide more holiday entitlement if you so wish, and/or include bank and public holidays within this entitlement.

The new increased entitlement will apply to all workers who currently only receive

Issues for employers

For employers with holiday entitlement years commencing before 1 October, they will need to calculate the new entitlement as a proportion of the days left in their holiday year. There is no obligation on you to round up to the nearest full day, but it may make it easier for you to manage if you round to the nearest half day.

Holiday entitlement should be taken in full within each entitlement year, but, due to the timing of the introduction of the legislation, some employees may not be able to take their full entitlement.

The regulations do allow for untaken holiday to be carried forward, but by agreement only. There is no obligation

Key dates

- **1 October 2007:** current 4 weeks (20 days) minimum will increase to 24 days for all workers (4.8 weeks).
- **1 April 2009:** increase from 24 days to a maximum statutory holiday allowance of 28 days (5.6 weeks).

the minimum holiday as set out in the Working Time Regulations 1998 or those who receive less than the new minimum holiday entitlement.

It is estimated that some 6 million workers, or 22% of the UK workforce, will benefit from the changes, particularly workers on low pay, including many women and part-time workers.

upon the employer to make payment in lieu.

The introduction of the legislation is a change to employment terms, but, as it is of benefit to employees, you do not need to reissue revised contracts of employment to employees. However, contracts for new hires should reflect the change in the legislation and how holiday is operated within your company.

You should inform your employees in writing of the increased entitlement and what it means for them, and may want to accompany it with a general communication via employee notice boards, e-mail or intranet etc.

Check the contract

You will need to check the wording of your contract. There is a possibility that, if they state employees are entitled to 'statutory holiday plus bank and public holidays', the changes could in fact increase the holiday entitlement further.

So, employees with contracts worded as above could in theory claim full statutory entitlement (the maximum of 28 days), with bank and public holidays on top of it, which was not the intention of the Government's legislation.

Requesting and granting holidays

You may also need to think about the process for requesting and granting of holiday, as your employees will now have to fit in more holidays into the year, while you will have to ensure you maintain operational effectiveness.

By comparison, if you feel the UK already provides too much holiday, then count

National Minimum Wage increase

The Government has announced that the National Minimum Wage rate will increase from 1 October 2007, as follows:

	Current	New
Adult rate (workers aged 22 and over)	£5.35	£5.52
Development rate for 18- to 21-year-olds	£4.45	£4.60
Development rate for 16- to 17-year-olds	£3.30	£3.40

If you do not have contracts of employment, then this may be the time to address that issue also. By law, all employees are entitled to receive a statement of particulars within eight weeks of commencing employment, detailing the main terms and conditions relating to their employment. Holiday entitlement would be one of those terms.

You will need to update employee handbooks and annual leave policies to reflect the changes.

yourself fortunate that you are not based in Austria, where the legal minimum entitlement is 38 days per year, the highest in the EU.

If you require any advice or assistance with these changes, please [contact us today by e-mail](#) or phone on 0800 907 1015.



The latest ETS statistics

The Employment Tribunal Service (ETS) has recently published the [2006/07 employment tribunal statistics](#). Some of the headline stats for the period 1 April 2006 to 31 March 2007 include:

- The total number of cases brought rose to 132,577 (an increase of 15%).
- The number of cases disposed of increased by 19%.
- 972 (of 238,546) [jurisdictions](#) claimed were made on the grounds of age discrimination.

Although the legislation was only introduced on 1 October 2006, these figures demonstrate that the public is aware of its rights under it and is prepared to seek redress. Remember that discrimination laws do not only apply to employees, but also to prospective employees. Expect to see a significant rise in this area in next year's statistics.

- Equal pay and unfair dismissal came out tops, each with about 44,000 jurisdictions.
- 8% of submitted claims were rejected. Of these, about one third were resubmitted and accepted.

Much of the increase in cases brought can be attributed to the substantial number of

Average awards

- Unfair dismissal: £8,000 ([maximum £250,000](#))
- Race discrimination: £14,000 (maximum £124,000).
- Sex discrimination: £10,000 (maximum £65,000).
- Disability discrimination: £15,000 (maximum £138,000).

local authority equal pay claims, and this is set to continue.

Also of interest is that the Employment Appeals Tribunal (EAT) heard 432 cases at a full hearing, representing a 22% decrease on the previous year.

Footnotes

A claim to a tribunal can be made under more than one jurisdiction, such as unfair dismissal and sexual discrimination combined - one claim, two jurisdictions.

The maximum award for compensation is limited to £60,600 from 1 February 2007. Awards may be above the maximum where they include a basic award element.

Your questions answered

Each month, we will answer any specific questions you may have in relation to employment matters, whether it is a specific issue you have or may have encountered, or just have questions about employment legislation, its impact and what actions you need to take.

For unsuccessful job applicants, how long should we keep CVs and completed application forms in order not to worry about potential discrimination claims?

The minimum time you should keep CVs, applications forms and other associated recruitment paperwork to avoid potential discrimination claims arising as a result of people being refused employment is three-and-a-half months.

Unsuccessful candidates have three months in which to bring a race, sex or a disability or some other type of discrimination claim. However, it is not safe just to discard the CVs or old paperwork after three months and a day because, if the unsuccessful applicant sends their claim form into the Tribunal, it is still possible for the Tribunal to sit on that claim form for about a week, and it

could then get delayed in the post for a further week upon sending out from the Tribunal. Therefore, you should wait for at least three-and-a-half months before it is relatively safe to discard all of the old applications.

The belief that, because of the statutory grievance procedures (which extend time for many Tribunal claims to six months for employees), it is sensible to retain these documents for six months is incorrect. The statutory grievance procedures only apply to employees, not unsuccessful job applicants, and unsuccessful applicants would not be entitled to an extension within which to submit their claim.

Remember to not just throw out the paperwork; it should be treated as confidential waste and shredded before disposal, to ensure you comply with your responsibilities under the Data Protection Act.

We hope you found this useful - if you have an issue you'd like us to cover in a later issue, [please e-mail us](#).

Further assistance

If you would like further information on any issues raised by this bulletin, or require advice or assistance with any other human resources matters, **please call us today on 0800 907 1015 or [send us an email](#).**

The information in this newsletter is of a general nature and is not intended to replace professional advice. We recommend you to ask for specific professional advice before taking any action.

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