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Legislative update 2023 / 24

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Agenda

- Past
 - Year end
- Present
 - Consultations
 - The state of holiday pay and entitlement
- Future
 - Flexible working requests
 - Carer's leave
 - Neonatal leave
 - Pensions
 - Company cars
 - Holiday pay and entitlement.



What do we know from last year end?

- Tax and NI thresholds frozen
- NI rates back down to pre-'health and social care levy' amounts
- NMW / NLW rates increased (NLW now at £10.42)
- SSP weekly rate is £109.40
- Parental statutory absence rates (SMP, SPP, etc.) are £172.48
- P11D forms must now be submitted online
- Student loan plans 1 and 4 threshold uplifted
- All student loan rates remain the same.

Closed

- Simplifying and modernising HMRC's income tax services (closed)
- LPC 2024 NMW (closed)
- Off-payroll working: calculation of PAYE liability in cases of non-compliance (closed)
- Tougher consequences for promoters of tax avoidance (closed)

Open

- Retained EU employment law reforms (closes 7 July)
- The Tax Administration Framework Review: Creating innovative change through new legislative pilots (closes 20 July)
- Tackling non-compliance in the umbrella company market (closes 29 August)

Consultations

Harpur v Brazel

“We therefore conclude that the Court of Appeal was correct to hold that the Calendar Week Method represents the correct implementation of the WTR and that this is fully compliant with EU law.”

12.07% (or alternative) methods may not achieve a compliant result

“A slight favouring of workers with a highly atypical work pattern is not so absurd as to justify the wholesale revision of the statutory scheme which the Harpur Trust’s alternative methods require.”

Holiday entitlement is not pro-rated for part year workers on a permanent contract



Holiday entitlement

- Statutory entitlement
 - **All workers must receive 5.6 weeks**
- The working time regulations 1998
 - Regulation 13 – 4 weeks entitlement
 - “Additional” (13a) – 1.6 weeks entitlement
- Contractual entitlement
- Given in weeks
- If employers wish to give entitlement in days or hours, prorated calculation is required
- Example to days:
 - 5.6 weeks x days of the week EE works = days
 - Full time employee, works 5 days/week
 - 5.6 x 5 days = 28 days annual leave entitlement



Flexible working rules – awaiting legislation

- Flexible working is now a day one right
- Two requests can be made in a 12 month period
- Employers have 2 months to respond
- Employees must be consulted before rejection
 - Rejection reasons have not changed
- Employees no longer need to provide the negative impacts of their request

**Applies to England, Scotland and Wales as
Employment law devolved in Northern Ireland**

Flexible working request changes



Allows a week of unpaid leave per year in order to provide or arrange care for a dependent with a long-term care need.

This can be taken in half or full day increments.

Is a day one right with no evidence requirements.

Regulations expected to be laid and to commence in 2024.

Applies to England, Scotland and Wales as employment law devolved in Northern Ireland

Carer's leave



Neonatal leave and pay

Leave for employed parents where a child needs neonatal care, this is in addition to other parental leave entitlements.

Must be at least one week, where there is uninterrupted care, and taken within 68 weeks of the child's birth.

Entitlement to pay roughly aligned with the usual LEL triggers set out in SMP, SPP, SAP etc.

Another day one right, leave has limited evidence requirements, pay will require further information.

Implementation not expected until July 2024 – might be in time for new tax year.

Applies to England, Scotland and Wales as employment law devolved in Northern Ireland

Automatic enrolment thresholds

Current rates frozen

Remain same as 2022/23

Private members bill:

- Extend AE to 18 years +
- Remove the lower qualifying earnings threshold

Not through parliamentary process yet, implementation timeline is unclear.

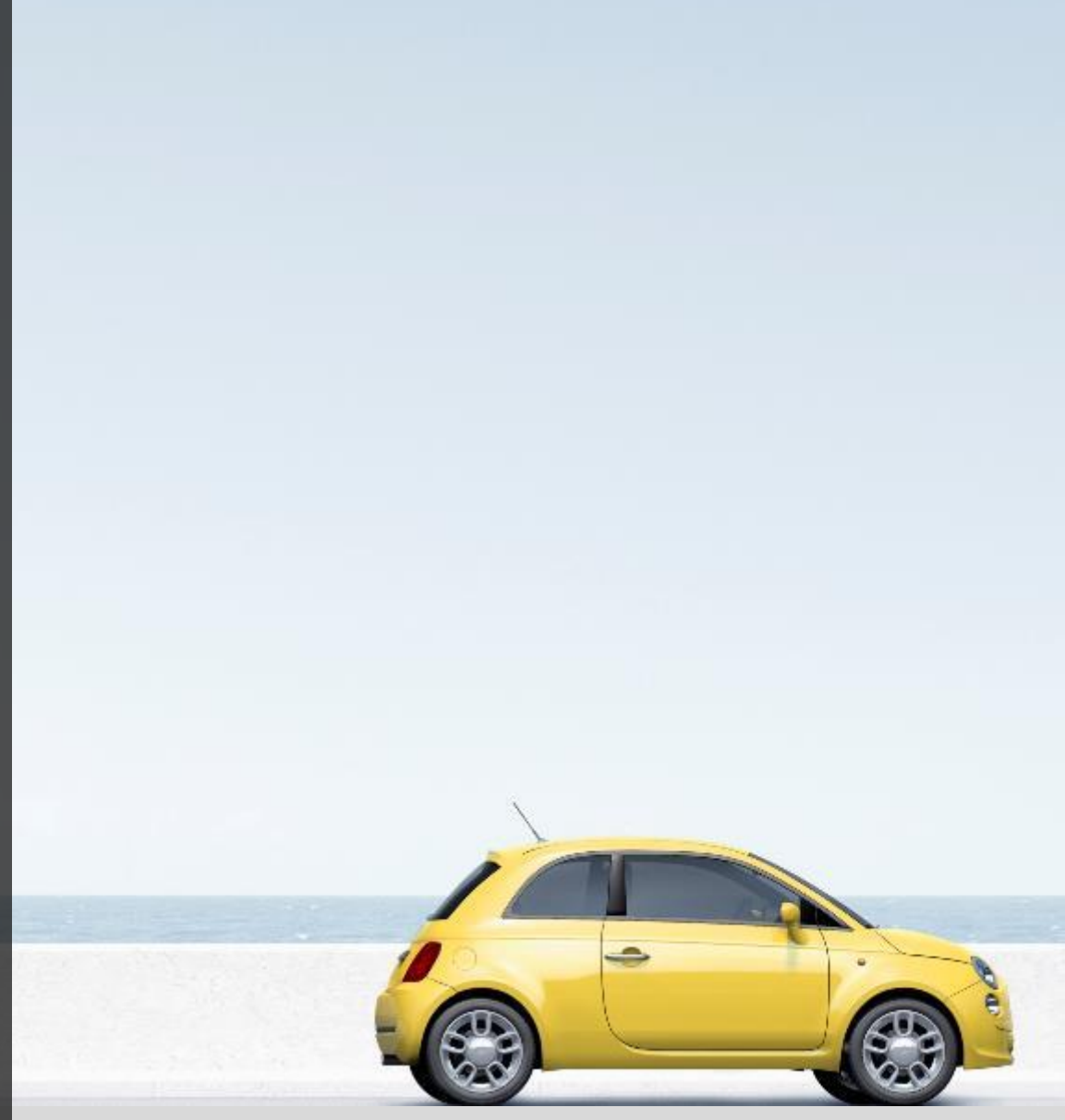
Potential consultation required.

Private pensions are devolved in Northern Ireland; however, they usually follow UK with changes.



Pension update

- Electric company car tax rates limited to 1 percentage point increase per year, for three years from 2025
- Set maximum
 - 5% for electric cars
 - 21% for ultra-low emission vehicles
- All other vehicle bands increase by 1 percentage point for 2025/26
 - to a maximum of 37%
 - then be fixed in 2026/27 and 2027/28
- 2023/24 the car and van fuel benefit charges and van benefit charges increase in line with inflation



Company cars



- Potential for a different process for part-year and irregular hours workers
- Potentially allowing rolled-up holiday pay
- What are the additional data requirements?
 - Hours worked per week?
 - Days worked?
 - Hours worked on particular days?
- Do you need to improve your data collection streams?

Holiday pay and entitlement (the future) **cipp** the chartered institute of payroll professionals
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Questions?

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