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Article

Title: Employment update

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Ill-health at work

Promoting good health as part of your health and safety policy can help to reduce absenteeism and staff turnover. But when employees are off sick, employers should be aware of two important legal developments. A recent decision of the House of Lords has confirmed that workers on sick leave continue to accrue statutory holidays, can take paid holidays whilst off sick and can possibly even claim back-pay for several years if they have not received paid holidays. The Government is also consulting on the replacement of sick notes with a new form of "fit note". Doctors will be able to indicate whether an employee may be "fit for some work now" and if so, will have to give reasons. Doctors may also suggest to employers ways to assist employees in their return to work after a period of ill-health.

On a topical note, whilst swine flu seems for the time being to have been relegated from the headlines, winter is fast approaching and employers are advised to be prepared for the impact that any pandemic may have on their businesses. Ensure that your sickness policies and procedures are up to date, be proactive and make some contingency plans to deal with possible high employee absence, which will help to ensure business continuity.

To compromise or not to compromise?

If your business is making redundancies, you may be considering compromise agreements for some of your staff. Offering compensation to an employee in return for his or her agreement to settle any claims against the employer may seem a speedier and more attractive option than following a formal redundancy process, but this is not always the case. There are several basic minimum statutory requirements for a compromise agreement to be valid. The timing

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and manner in which an offer of settlement is made to an employee is critical if negotiations are to conclude amicably and cost effectively. There are also important tax provisions applicable to payments made to employees under compromise agreements. Seeking professional legal advice before making offers of settlement to employees will certainly help you avoid employment nightmares.

A final note

From the 1st October 2009 the government increase in the weekly limit, used to calculate statutory redundancy payments, from £350 per week to £380 per week, comes into force. On the same date, the national minimum hourly wage rates for adults increase from £5.73 to £5.80; for 19 to 21 year olds from £4.77 to £4.83; and for 16 and 17 year olds from £3.53 to £3.57.

If you need legal advice on any aspect of employment law, call Kelly Jean Rayner on her direct line 01256 854608, or email krayner@phillips-law.co.uk

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