

Employment Law Changes – April 2022

As we settle into 2022 with almost the full lifting of covid restrictions, with it comes a number of employment law changes. April is always a busy time for employment law, so businesses and HR professionals must remain on top of these changes coming into force in less than a few days' time.

Key changes to expect to employment law in April 2022:

- **Gender pay gap report**

The Government paused the compulsory gender pay gap report in 2020 due to Covid-19 and later relaxed the law to allow it to be published at a later stage for the past couple of years.

However, they are expected to return to normal this year. For public sector employers, the reporting deadline is 30 March 2022. For private sector and voluntary sector employers is 4 April 2022.

Organisations must publish reports on their website and on the gender pay gap reporting portal on the GOV.UK website.

- **Increase to National Minimum Wage and National Living Wage rates**

The increases to the National Minimum Wage which will apply from 1 April 2022 are as follows:

- Workers aged 23 and over – from £8.91 to **£9.50** (the national living wage)
- Workers aged 21 to 22 – from £8.36 to **£9.18**
- Workers aged 18 to 20 – from £6.56 to **£6.83**
- Workers aged 16 to 17 – from £4.62 to **£4.81**
- Apprentices – from £4.30 to **£4.81**

Employers should check their rate of pay against the new minimum wage rates to make sure they are complying with the updated rates.

- **Increase in statutory family-related pay, sick pay and redundancy pay**

1. The weekly rates of statutory maternity, paternity, adoption, shared parental and parental bereavement pay set to increase from £151.97 to **£156.66**. This increase will take effect on 3 April 2022.

2. The weekly rate of statutory sick pay is also set to increase from £96.35 to **£99.35**.

The current rule change caused by the pandemic requiring SSP to be paid from day 1 rather than day 4 has now ended

3. The weekly rate of employment redundancy pay is set to increase from £544 to **£571** from 6 April 2022.

- **Increase to National Insurance Contributions (NICs)**

From April 2022, the rates of National Insurance Contributions (NICs) are due to increase by 1.25%, which equates to a rise from 12% to 13.25%. This was announced by the government in September 2021 to help pay for increased health and social care costs.

Rishi Sunak unveiled in his recent 2022 spring statement that National Insurance starting thresholds will rise by £3,000 from July 2022. Previously, someone earning more than £9,458 per year would have to pay NICs, now that figure has increased to £12,570.

Additionally, the Employment Allowance for employees will increase to £5,000 per Company in the coming year.

- **Changes to the right to work checks**

Temporary remote right-to-work checks were introduced because of covid-19 and was met with overwhelming feedback. As a result, this temporary measure has now been extended through to the end of September 2022.

A new scheme using government certified technology for checking the right to work is being introduced so that British and Irish Nationals can continue proving their identity remotely. Employers still have the option of carrying out manual checks of original documents if they desire.

Also from 6 April 2022, those who hold a biometric residence card (BRC), biometric residence permit (BRP) or frontier worker permit (FWP) have to use the Home Office online service to prove their right to work.

- **IR35 (aka the off-payroll working rules)**

Under the IR35 rules, those who manage and direct how a contractor carries out their duties and responsibilities will be accountable for determining their employment status and assessing whether IR35 applies.

The IR35 rules on off-payroll working extended to the private sector on 6 April 2021. HMRC announced they would be light on enforcement penalties during the first 12 months of the new rules. As the 12 months is now approaching, it is therefore a good time for businesses to review their IR35 compliance and update status determinations where necessary.

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T: 0141 471 5510

E: info@reshapehr.com

W: [reshapehr.com](https://www.reshapehr.com)