

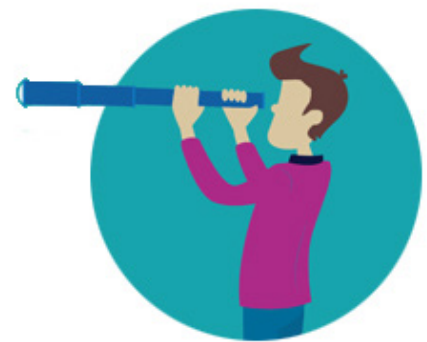
THE NEW REC LEGAL BITESIZE BRINGS YOU A BRIEF SUMMARY OF LEGAL AND TOPICAL NEWS

Legal *bitesize*

JOBS TRANSFORM LIVES

LOOKING AHEAD TO APRIL 2019:

In this edition of the Legal bitesize, we will highlight two of the key changes that will impact recruiters in April 2019.



1. Changes to payslips

Summary from 6 April 2019:

- All workers will be entitled to receive a payslip.
- A worker's payslip will need to contain information about the hours worked where the pay the worker receives varies according to the time worked.

The right to receive a payslip currently only applies to employees, although in practice most recruiters do provide these to temporary workers engaged on a contract for services. It will be a specific legal entitlement for all workers, and not just employees, to receive a payslip. Additionally the changes to the information which must be included on the payslip will mean that employers (including recruiters with temporary workers) will need to include the hours worked where the pay the worker receives varies according to the time worked.

The government has recently produced guidance which can be found [here](#). The guidance was released in December 2018 and clarifies the circumstances where the Department for Business, Energy and Industrial Strategy (BEIS) would expect information about the hours worked to be included on a payslip.

The purpose behind this legislation is to help workers identify whether they may have a claim for a breach of contract or a failure to pay national minimum wage following a recommendation by the Low Pay Commission in 2016.

Practically, the question recruiters should ask themselves is:

“Does the amount that I pay my workers vary due to the amount of time that they have worked?”

- If the answer is no, (for example, because your workers are on an annual salary with contracted hours and fixed monthly pay), then you would not include the fixed hours on the worker's payslip.
- If the answer is yes, then you would need to include the hours that the worker worked on the worker's payslip.

For example:

- Where a worker's pay varies depending on how many hours that they work, the number of hours would need to be included on the payslip.
- Additionally, a “day rate” worker would fall within the scope of the payslip changes and information about the hours the worker worked would need to be included on the payslip.

This is because a “day rate” worker’s pay varies depending on how many days the worker works. This interpretation is reflected on page 6 of the government guidance linked above.

- If someone with fixed hours does overtime and that changes their pay, then the overtime hours would need to be included.

This might present an administrative challenge for recruiters. However, for the purpose of demonstrating compliance with the National Minimum Wage Regulations 2015 and other recruitment legislation, recruiters should already be capturing information about the specific number of hours that a worker has worked.

If workers are being supplied through an intermediary (such as an umbrella company) where the intermediary is the employer then recruiters should look to coordinate with these organisations to ensure that the intermediary can meet their own obligations under these changes.

2. Statutory rate changes

From April 2019 recruitment businesses can expect some of the statutory rates (including national minimum wage and automatic enrolment pension contributions) to change. Please see the [REC Statutory Pay and Compensation Limits](#) for more information.



TALKING POINT...

Brexit is coming

It seems even the sanctity of the Legal bitesize cannot avoid the B-word. The REC has been running a ‘Countdown to Brexit’ webinar series, the first of which went live in January. Our next webinar is on the 28 February 2019 at 1pm. You can sign up to the February Webinar on the [REC Events](#) page. The REC Legal team has prepared a response to the questions that were asked in the previous webinar and this response can be found on the [REC Legal News](#) webpage.

This publication is not a substitute for detailed advice on related matters and issues that arise and should not be taken as providing legal advice on any of the topics discussed.

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