

Employment Law Update

Summer 2023 - Current Rates

- National minimum wage/national living wage.
- Employment protection awards.
- Maternity and paternity pay.
- Statutory sick pay.
- Injury to feelings awards – discrimination claims.

National Minimum and Living Wage

The National Minimum Wage (NMW) and National Living Wage (NLW) provide minimum hourly rates of pay for employees and workers. The NLW applies to employees/workers aged 23+. The NMW applies to employees/workers aged 16-23. The rates for the NMW and the NLW are increased in April of each year. The new rates from **1 April 2023** are:

The rates for 2023 are based on recommendations from the Low Pay Commission, accepted in full, by the Government.

The penalties for failing to pay the NMW and NLW are high and can be up to £20k per employee/worker.

The NLW should not be confused with the Real Living Wage (RLW). The RLW is a voluntary minimum wage that employers choose to give to their staff which is higher than both the NMW and NLW. The Living Wage Foundation sets the rate of pay based on up-to-date living costs taking into account the cost of bills and other measures.

RLW rates are increased in September of each year and the current rates are £10.90 per hour across the UK and £11.95 per hour in London. This increase is due to the escalating cost of living crises and rapidly rising inflation.

Age	Apprentices	16 and 17	18 – 20	21 – 22	23+
National Minimum Wage	£5.28	£5.28	£7.49	£10.18	
National Living Wage					£10.42
Previous rate before April 2023	£4.81	£4.81	£6.83	£9.18	£9.50

Employment Protection Awards

The maximum limits on employment protection awards are increased in April each year. From **6 April 2023** the rates are as follows and apply to all dismissals on or after this date:

Awards for discrimination claims have no maximum limit.

Award	Current Rate Applies to dismissals from 6 April 2023	Previous Rate for dismissals before 6 April 2022
Unfair dismissal compensatory award (maximum)	£105,707 (maximum or 12 months' pay whichever is lower)	£93,878 (maximum or 12 months' pay whichever is lower)
One week's pay for statutory redundancy pay and basic award	£643	£571
Maximum statutory redundancy payment and basic award	£19,290	£17,130

Maternity and Paternity Pay

Statutory Maternity Pay and Statutory Adoption Pay are payable for a period of 39 weeks. Statutory Paternity Pay is payable for a period of two weeks following the birth. Under the Shared Parental Leave scheme,

it is possible for parents to share up to 37 weeks of the mother's maternity pay.

The rates are increased in April each year and from **6 April 2023** are as follows:

Type of Payment	Current Rate from 6 April 2022	Payment Period	Previous Rate from April 2022
Statutory Maternity Pay and Statutory Adoption Pay (higher rate)	90% of normal weekly earnings	First 6 Weeks	£156.66
Statutory Maternity Pay (basic rate)	£172.48 per week*	Next 33 Weeks	
Statutory Paternity Pay	£172.48 per week*	Employees can choose to take either 1 week or 2 consecutive weeks of leave	£156.66

*or 90% of normal earnings, if lower.

Statutory Sick Pay

Statutory Sick Pay (SSP) is the minimum amount employers must pay an employee if they are incapable of work for 4 or more consecutive days. An employer does not have to pay SSP for the first 3 days of sickness (these 3 days are called 'waiting days'). SSP entitlement starts from the 4th qualifying day of when the employee is off sick up to a maximum of 28 weeks. From **3 April 2023**, the SSP rate is **£109.40** per week (previous rate - £99.35). An employee/worker is eligible for SSP if they:

- Have been off sick for at least 4 days in a row (working days)
- Earn on average at least £123 a week before tax
- Informed their employer that they are sick within any deadline the employer has set or within 7 days.

Agency, casual and zero-hours workers are also entitled to SPP if they meet the above eligibility criteria.



Discriminatory awards (injury to feelings) – Vento Guidelines

When a claimant is successful in bringing a discrimination claim to the Employment Tribunal they are entitled to an award of compensation for loss of earnings. Now it is common, depending on the seriousness of the case, that the claimant can argue for injury to health if the discrimination has damaged their health, physically or psychiatrically. If such a claim is successful, then the claimant will be entitled to an additional award for injury to feelings. This is a damages award aimed as a remedy for hurt, humiliation or degradation suffered by the employee, and is assessed depending on the seriousness of the discrimination with the Employment Tribunal applying the Vento Guidelines. The Vento Guidelines are annually revised by the Tribunals Judiciary and Courts and Tribunals Judiciary.

The bands of awards for claims presented on or after **April 6 2023** (known as Vento bands) have been updated:

- Lower band (isolated incidents or less serious cases): £1,100.00 to £11,200.00.
- Middle band (more serious but not the most serious): £11,200.00 to £33,700.00
- Upper band (most serious cases): £33,700.00 to £56,200.00.

Injury to feelings awards have increased by 1.4% to reflect inflation since 2022. Consequently, the minimum amount of compensation awarded is now £1,100.00 (as opposed to £900.00 in 2022).

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Disclaimer – This update is intended to provide readers with information on recent legal developments. It should not be construed as legal advice or guidance on a particular matter.

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