

# Employment Law Update

Spring 2025

Current rates from 6th April 2025

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# Significant increase to the National Minimum/Living Wage

New rates to the National Minimum Wage (NMW) and the National Living Wage (NLW) apply from 6th April 2025. These represent a significant increase from previous rates and are based on recommendations from the Low Pay Commission accepted by the Government. Since 1 April 2024, the NLW now applies to workers aged 21 and over (previously 23 and over).

The new rates from **6 April 2025** are as follows:

Age	Apprentices	16 and 17	18 – 20	21+
National Minimum Wage	<b>£7.55</b>	<b>£7.55</b>	<b>£10.00</b>	
National Living Wage				<b>£12.21</b>
Previous rate before 6th April 2025	£6.40	£6.40	£8.60	£11.44

# Employment Protection Awards

The maximum limits on employment protection awards are increased in April each year. From **6 April 2025** the rates are as follows and apply to all dismissals on or after this date:

Award	Current Rate Applies to dismissals from 6 April 2025	Previous Rate Applies to dismissals from 6th April 2024
Unfair dismissal compensatory award (maximum)	<b>£118,223</b>	£115,115 (maximum or 12 months' pay whichever is lower)
One week's pay for statutory redundancy pay and basic award	<b>£719</b>	£700
Maximum statutory redundancy payment and basic award	<b>£21,750</b>	£21,000

Awards for discrimination claims have no maximum limit



## Statutory 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 2 weeks. The 2 weeks can be taken either consecutively or as 2 separate weeks at any time during the first 12 months after the birth provided the employee gives 28 days notice (minimum). Under the Shared Parental Leave scheme, it is possible for parents to share up to 39 weeks of the mother's maternity pay.

The rates are increased in April each year and from **6 April 2025** are as follows:

Type of Payment	Current Rate from 6 April 2025	Payment Period	Previous Rate from April 2024
Statutory Maternity Pay and Statutory Adoption Pay (higher rate)	90% of normal weekly earnings	First 6 Weeks	£184.03
Statutory Maternity Pay (basic rate)	<b>£187.18 per week*</b>	Next 33 Weeks	
Statutory Paternity Pay	<b>£187.18 per week*</b>	Either two periods of one week or 2 consecutive weeks during the year after birth.	£184.03

\*or 90% of normal earnings, if lower.

# Neonatal Care Leave (NCL)

The Neonatal Care (Leave and Pay) Act 2023, which came into effect on **April 6, 2025**, introduces new rights to neonatal care leave and pay.

NCL will apply where a baby is born on or after 6 April 2025 and receives neonatal care commencing within 28 days of birth for 7 continuous days or more. NCL will be a ‘day one’ right, meaning it will be available to mothers and fathers from the first day of their employment.

Eligible employees may claim Statutory Neonatal Care Pay (SNCP), payable at the prescribed statutory rate initially £187.18 per week from April 2025 or 90% of the employee’s average weekly earnings, if lower.

Type of Payment	Current Rate from 6th April 2025	Payment Period
Statutory Neonatal Care Pay (SNCP)	90% of normal weekly earnings <b>£187.18 per week</b>	Up to 12 weeks after the birth

NCL is in addition to Statutory Maternity and Paternity Pay. Employees taking neonatal care leave are protected from detriment and dismissal.



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## Statutory Sick Pay

Statutory Sick Pay (SSP) is the minimum amount employers must pay employees if they are incapable of work for 4 or more consecutive days. SSP entitlement starts from the 4th qualifying day of sickness absence up to a maximum of 28 weeks provided the employee meets the eligibility requirements. The employee must:

- have been incapable of work for at least 4 consecutive working days;
- earn on average at least £123 a week before tax; and
- have informed their employer that they are unable to work due to sickness or injury within any deadline the employer has set or within 7 days.

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

From **6 April 2025**, the SSP rate is **£118.75** per week (previous rate - £116.75).

### Proposed changes

The Employment Rights Bill anticipated to come into effect during 2026, will remove both the waiting period for SSP and the earnings limit, meaning all workers will be entitled to SSP from their first day of illness.

## Discriminatory awards (injury to feelings) – Vento Guidelines

If a claimant is successful in a discrimination claim in the Employment Tribunal, they are entitled to an award of compensation for loss of earnings. There is no maximum limit unlike unfair dismissal claims. They may also be entitled to an additional award for injury to feelings. This award is a remedy for the 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 revised annually by the Courts' and Tribunals' Judiciary.

For claims presented on or after **6 April 2025**, the bands of awards (known as Vento bands) have been increased in line with inflation:

- Lower band (isolated incidents or less serious cases): £1,200 to £12,100
- Middle band (more serious but not the most serious): £12,100 to £36,400
- Upper band (most serious cases): £36,400 to £60,700

Amounts in excess of £60,700 can be awarded in the most exceptional cases but such awards are rare.

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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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