

# What's Out, What's In and What's Needed!

April 2011



## Retirement is now Out!

The last day that an employer was able to give an employee a notice of retirement has now passed.

From **October 2011**, no employee can be compulsorily retired by their employer because they have reached the age of 65 unless that retirement can be objectively justified. As employers have been required to give at least 6 months' notice of a retirement, no new notices can now be provided.

Therefore, unless a dismissal can be objectively justified based on age, employees will remain employed until they choose to leave or are dismissed for a fair reason (e.g. capability related to performance, ill health, or health and safety reasons).

Without a doubt, this will cause unrest in the field of employee relations. Long serving employees will find themselves facing the disciplinary procedure at the end of their career, rather than a retirement party that celebrates their contribution. A sad time.

## Check your Benefits

If you provide group risk insured benefits including income protection, private healthcare, sickness, accident or life insurance, you need to check and if necessary update your contracts. These benefits will be exempt from the principle of equal treatment on the grounds of age and can be withdrawn in line with increases to State Pension Age. This needs to be stated in your contracts.



## The Bribery Act is now In!

The Government has just announced that the Bribery Act will now come into force in **July 2011**.

There has been significant concern from businesses surrounding the implications of this, which imposes hefty criminal and financial sanctions for what could in effect be trivial corporate hospitality events and for the failure of a business to prevent a bribe being paid for, by or on its behalf.

However, the Guidance recently issued by the Government has allayed some of these fears in that it allows corporate hospitality and gifts providing that their use is reasonable and proportionate.

The Guidance also expands upon the meaning of 'adequate procedures' which organisations must implement in order to communicate their stance on preventing bribery. Businesses will be able to rely on these procedures as a defence if they are properly implemented and are proportionate to the nature, scale and complexity of the business.

## Update your Procedures

Clients who retain HR Insight to manage their employment contracts, handbooks and policies will automatically have their Retirement and Bribery clauses updated in their next review.

If you don't however, please do call us.

We will make sure that the right policy wording is in place in your documents to protect you and ensure that you are ready to deal with any issues that may arise.



## Surge in the Use of Interns!

We are seeing significant growth in the number of enquires from businesses about the use of Interns. This follows a surge in enquiries from school leavers, graduates and unemployed individuals seeking work experience opportunities.

Internships are exempt from the national minimum wage (NMW) subject to them not being offered an internship for longer than 1 year and it not being guaranteed to lead to paid work when it is completed. If the internship involves the person carrying out set tasks and duties on a day-to-day basis, they should be paid the NMW.

Most interns are paid an allowance for expenses incurred by them for travel and subsistence. To protect a business from claims that may arise, it is essential to have a contract confirming the nature of the relationship you have with the Intern.

## Can We Help? Year of the Written Word!

This is the year of the written word. We cannot stress enough the importance of having the right clauses in your contracts and the right wording in your policies.

You need to reserve the right to terminate benefit schemes in line with the state retirement age; to enter into dialogue with employees regarding their performance and plans at any age; and to ensure your contracts provide sufficient flexibility and protection to run your business.