



EMPLOYMENT IN THE UNITED KINGDOM



The UK Labour Laws governs the relationship between employees and employers of all types. People who work in the UK can rely upon a minimum set of employment rights. Below is some key information about employment in the UK, intended to provide a brief overview of employment law in the UK. It is not intended as a substitute for professional legal advice and counsel.



WORKING TIME AND OVERTIME

The standard working week in the UK is 37.5 hours per week, typically Monday to Friday. However, this may vary depending on the industry a person works in and the hours set out in a Contract of Employment. The UK has a legally mandated maximum 48 hour working week, under the 'Working Time Regulations'. Employees can choose to opt out if they wish. However, there may be some exceptions to this according to the industry a person is employed in.

Employees are legally entitled to a rest break of 20 minutes if they work more than 6 hours per day.

ANNUAL LEAVE

Full-time employees are entitled to a statutory minimum of 28 calendar days' annual leave per annum (pro rata for part-time employees). It is up to employers whether public holidays form part of that entitlement. There are usually 8 public holidays. During 2022 there will be 9 public holidays due to the Queens platinum jubilee.

TRIAL PERIOD

Whilst there is no legal requirement for a probationary period. Employers typically set a probation period of between 3 to 6 months. It is unusual for a probationary period to be over 12 months.

RESIGNATION AND DISMISSAL

An employee may unilaterally terminate their employment by providing written notice to their employer. Notice periods do vary, typically this is one month. During a probation period this can range from between one week to one month. This will be stated in the contract of employment.

Termination from the employer's side can be more difficult unless the employee is within their probation period or first 2 years of service. An employee with less than 2 years of service in theory can be dismissed without the need to demonstrate a fair reason for dismissal, and with no obligation to go through a disciplinary or dismissal process. However, it is always best practice to follow a fair process in these cases to mitigate any potential risk to the company. Contractual or statutory notice must still be given.

After 2 years an employee has more rights where they are able to make a claim against a company for unfair dismissal. Any dismissal by the company will need to show fair reason and be evidenced with a thorough investigation & disciplinary process taking place.

Dismissal on the grounds of redundancy, conduct or capability for example entail different burdens of proof and notification. In the case of redundancy depending on the length of service any redundancy package can vary.

CONTRACT OF EMPLOYMENT

Producing a contract of employment in the UK when recruiting is a legal requirement. Creating a strong employment contract will help pacify any compliance concerns. A contract should always include as a minimum, working hours, days of work, place of work, pay, probationary period, termination of employment, sick pay and procedures, other paid leave such as maternity/paternity, pensions, disciplinary and grievance procedures.

MATERNITY AND PATERNITY LEAVE

Expectant mothers in the UK are entitled to 52 weeks of statutory maternity leave. This is made up of ordinary maternity leave for the first 26 weeks and additional maternity leave for the last 26 weeks. The total 52 weeks do not need to be taken but 2 weeks leave must be taken after the birth. Usually, the earliest maternity leave can start is 11 weeks before the expected due date. Statutory maternity pay (SMP) is paid for 39 weeks. The first 6 weeks is 90% of average earnings before tax. The next 33 weeks is £156.66 or 90% of average weekly earnings, whichever is the lowest. Tax and national insurance will be deducted as per normal wages.

Expectant fathers in the UK are entitled to paternity leave for up to 2 weeks. The leave cannot start before the birth and must end with 56 days of the birth. Fathers are entitled to statutory paternity pay (SPP) which is £156.66 or 90% of average weekly earnings, whichever is the lowest.

SICKNESS LEAVE

If an employee is unable to attend work due to illness, a fit note also known as sick note must be provided by a doctor after 7 consecutive days. Before this a person is able to self-certify. Employees are entitled to statutory sick pay (SSP) for 26 weeks at a rate of up to £96.35 per week. It is up to the employer to ensure reasonable adjustments are made for disabled employees so as not be disadvantaged when compared to non-disabled employees.

SOCIAL SECURITY

The UK social security system is known as the National Insurance Scheme (NIS). The scheme pays for national health services, statutory sick pay (SPP), statutory maternity pay (SMP), statutory paternity pay (SPP), state pensions and bereavement benefit for example. This is deducted before any NET payments are made to employees. From July 2022 employees will not pay NI on earnings below £12,570 per year. The NI rate is 13.25% and 3.25% on earnings over £50,000 per year. The employer NI contribution is 15.05%.

HEALTHCARE AND INSURANCE

The UK has the national health service (NHS) for UK residents. This is contributed to via the NIS scheme. For UK visa holders there is a health surcharge, also known as the NHS surcharge payable on most UK visas valid for 6 months or longer. The cost is £624 for a year. Some companies do offer private healthcare to their employees as part of their contract.



EMPLOYMENT OF FOREIGN NATIONALS



Most foreign citizens require a work permit to work in the UK.

There are many different types of visas for specific work to be carried out such as health & social care, charity, graduate.

Below are three of the more common work visas:

1. SKILLED WORKER VISA

This visa has replaced the Tier 2 (General) work visa. The visa allows a person to come to stay in the UK to do an eligible job with an approved employer. A certificate of sponsorship is required from the employer with information about the role offered. The role must be on a list of approved eligible occupations. The visa is valid for 5 years before it needs to be extended.

2. INTRA-COMPANY VISA

This visa allows work in the UK for a company a foreign national is already employed by, at their UK branch. Applicants will have already needed to have worked for the company for 12 months unless they will be receiving a salary of £73,900 per annum.

This visa replaced the Tier 2 (intra-company transfer) long term staff visa. The visa is valid for either 5 years or the time given on the certificate of sponsorship by the company plus 14 days, whichever is shorter.

3. GLOBAL TALENT VISA

Applications for a global talent visa are for leaders or potential leaders in digital technology, arts & culture and academia or research. A successful application must have been made for an endorsement to prove the applicant is either a leader or potential leader. The visa is valid for 5 years before it will need to be extended.



SALARY AND SALARY TAXES

MINIMUM WAGE

According to UK law, the salary paid to an employee may not be less than the current minimum wage. Every April the UK increases minimum wage and living wage rates. From April 2022 the living wage will be £9.50 per hour for employees aged over 23 and £9.18 or 21-22 year olds. The living wage is for employees over the age of 23, whilst minimum wage is for those at least of school leaving age. Aged 18-20, the wage is £6.83 per hour.



INCOME TAX

The UK tax year runs from April to March. Companies need to comply with the Real Time Information System (RTI). This requires all companies to report payroll information to Her Majesty's Revenue and Customs (HMRC) based on a Pay As You Earn (PAYE) on or before the date the employee is paid. Taxes are deducted from the employees' wages before the NET payment is made. Below is a table of tax thresholds for employees.

Tax per annum	Up to £12,570	£12,571 - £37,700	£37,701 - £150,000	£150,000+
Tax payable	0%	20%	40%	45%



SALARY PAYMENTS

Salaries are typically paid on a monthly basis for salaried employees and a weekly basis for employees who are hourly paid. However, this can vary. Some companies do also pay fortnightly. Salaries must always be paid in GBP.

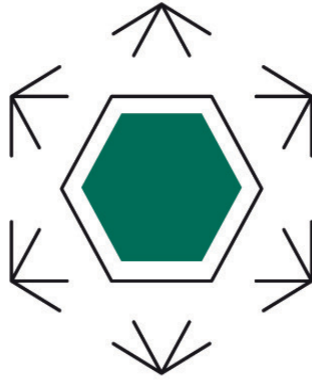
SOCIAL SECURITY CONTRIBUTIONS

Social security contributions in the UK (NIS) are the sole responsibility of the employer. Employer contributions are currently 15.05%. The tax authorities are responsible for administering social contributions. Employee contributions are deducted before the NET amount of a salary is paid to the employee.

SOCIAL CONTRIBUTION RATES

For 2022/23 the below rates of social contributions have been set by the UK Government. These are reviewed and changed on a yearly basis.

	Up to £12,570 (from July 2022) Up to £9,880 (until July 2022)	From £9,881 or £12,571 to £50,270	£50,271+
NIS Contribution	0%	13.5%	3.25%



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