

The Good Work Plan

law changes: 6th April 2020

The Good Work Plan is government legislation to bring UK employment law in line with modern ways of working. It's the result of the independent Taylor Review of Modern Working Practices.

Upgrades to statements of main terms & conditions (SMT)

All employees are entitled to an SMT by the start of employment and it must include extra information, including:

- How long the job is expected to last (or the end date of a fixed-term contract).
- How much notice both you and your employee must give if terminating employment.
- Details of eligibility for both sick leave & pay, plus any other types of paid leave.
- How long a probation period lasts and its conditions.
- Details of all payments & benefits.
- The specific days and times of work, and if the working hours are variable.
- Any training entitlements.

Meanwhile (and for the first time), you need to give an SMT to staff who are classed as **workers**.

Holiday pay overhaul

Employees who work variable hours get a fairer calculation for their holiday pay, accounting for any peaks and troughs of work that might happen throughout the year.

If someone takes annual leave, you need to work out their average weekly wage over the previous **52 weeks**—known as the *holiday reference period*—and use that amount for the rate of holiday pay.

But if someone's worked for you for less than 52 weeks, calculate their average based on their total weeks of service so far.

Worker or employee: what's the difference?

	Employee	Worker
Has an employment contract with you	✓	✗
Tends to do regular work for you	✓	✗
Does the work personally	✓	✓
Must accept the work	✓	✗
Has the following employment rights:		
• Entitlement to an SMT	✓	✓
• Holiday pay	✓	✓
• To claim unfair dismissal after two years' service	✓	✗

Rights & changes for agency workers

Swedish derogation scrapped

The government has scrapped 'Swedish derogation', which was a special type of employment contract 'opt-out' that guaranteed agency workers a certain amount of pay between contracts.

The change means that the Agency Workers Regulations now apply in full, so once all agency workers reach 12 weeks' service during an assignment, they get the same basic pay as a permanent employee who performs a similar role.

'Key information' sheet introduced

Employment businesses (sometimes also called employment agencies) must give agency workers what the government calls a 'key information document'.

The document must include details like the type of contract the work-seeker will be engaged under, the rate of pay, holiday entitlements, as well as any deductions and agency fees.

New information & consultation threshold

Information and consultation arrangements are official talks with your employees about issues that affect your business.

The legislation makes it easier for staff to demand formal consultation arrangements, particularly in larger businesses. You have to set up a consultation arrangement if a certain amount of people request it. Previously, the threshold was at least 10% of your workforce. *Now it's just 2%.*

More Good Work Plan changes on the way

This is just the start of a massive shake-up of UK employment law. Learn more about the laws that matter to *your* business, contact the HR specialists at Peninsula now.

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