BUSINESS LAW

Get to grips with the Living Wage

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The National Living Wage has been catching headlines since Chancellor George Osborne announced it last summer, but the Government’s target of £9 per hour by 2020 has overshadowed the detail, and many businesses remain unaware of the transitional deadlines and new penalties now in place.

The compulsory National Living Wage (NLW) arrived on April 1, 2016 for eligible workers aged 25 and over, and it has been set at £7.20 per hour. However, the NLW does not replace the current National Minimum Wage; it sits alongside it and is a new premium tier solely for those aged over 25. For everyone under the age of 25, the National Minimum Wage continues to apply.

The new NLW is different also from the “Living Wage”, which is an hourly rate of pay calculated to cover the basic cost of living in the UK. It is assessed by the independent action group Living Wage Foundation and most recently has been calculated at £8.25 per hour, or £9.40 per hour in London.

From April 1, 2016 all eligible employees, whether permanent workers, agency workers, casual labourers or agricultural workers, who are aged 25 or over, must be paid at £7.20 per hour; a pay rise of 50p per hour, whilst other workers will continue to be entitled to the following rates:

- 21-25 years old - £6.70 per hour;
- 18-20 years old - £5.30 per hour;
- Under 18 years old - £3.72 per hour;
- Apprentices – £3.30 per hour.

Implementing the National Living Wage for eligible over 25s is not something that should be ignored or delayed, as there are stiff penalties in place. Employers can be fined 200% of the amount owed if arrears are not paid within 14 days and receive fines of up to £20,000 per worker.

It is important to avoid any age-related practices that set out to reduce the number of employees eligible for the higher rate.

Any dismissals of older employees, even with less than two years service, could see employers facing an employment tribunal for unfair dismissal and age discrimination. It is the same for recruitment – employers must avoid demonstrating any preferences for younger workers.

The National Living Wage is expected to increase each year, with recommenda-
tions for future rises being made by the Low Pay Commission, as the Government continues its objective towards “higher pay and higher productivity” in place of “low wage, high welfare”.

Countdown starts to the 2016 Anglia Business Exhibition

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Organisers, sponsors and partners gathered last week for the official launch of the 2016 Anglia Business Exhibition.

The annual showcase event, which celebrates its 20th anniversary this year, takes place at Trinity Park, Ipswich, on Wednesday, June 15.

Alongside the main exhibition, which will run from 11.30am to 6pm, there will be a Parallel Property, Home and Investment Show, and the day will start with a networking breakfast event, from 9am to 11am, featuring as keynote speaker Phil Carpenter, former managing director of Bose UK.

The build-up to this year’s exhibition officially began on Thursday with a launch event hosted and sponsored by the Belstead Brook Muthu Hotel in Ipswich.

Guests were welcomed by Chris Marsh, chairman of the Ipswich & Suffolk Small Business Association (ISSBA) which has organised the event since it was first held in 1996, and John Dugmore, chief executive of Suffolk Chamber of Commerce, which has worked in partnership with ISSBA on the exhibition for the past eight years.

Mr Marsh said: “The event has grown considerably over the last few years, and we are celebrating a huge milestone this year as 2016 is our 20th anniversary. From small beginnings back in 1996 we have now become the largest and best business-to-business exhibition in East Anglia.

“But we could not have achieved this without the tremendous support from all of our sponsors. The event relies on all of our partners and sponsors to maintain the low cost to exhibitors, to make it inclusive, an exhibition for all.

“We must not forget what ISSBA is all about which is supporting smaller businesses. Our sponsors enable them to be part of a large exhibition to showcase their business and to exhibit alongside larger organisations.

“John Dugmore and all of his team at the Suffolk Chamber of Commerce have been instrumental in helping us on our journey over recent years and thank them for their tremendous support as our exhibition partner.”

Mr Dugmore said: “Suffolk Chamber of Commerce is proud to once again be delivering the Anglia Business Exhibition alongside ISSBA in support of our local businesses and economic growth.

“With over 250 exhibitors attending, and footfall increasing year on year, from across East Anglia, it is a great opportunity for businesses to build their contacts, showcase their services and gain a competitive edge.”

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