## <u>Press release: New laws give 300,000</u> <u>workers a payslip for the first time</u>

- From this week, payslips will now have to include the number of hours worked — making it easier for workers to check they are being paid the correct amount
- A further 120,000 agency workers will benefit from the scrapping of the Swedish Derogation
- Reforms form part of the Government's largest upgrade to worker's rights in a generation

This new right ensures that all workers receive a payslip, which forms part of the Government's Good Work Plan — the biggest package of workplace reforms for over 20 years.

It means payslips will now include the number of hours worked, making it simpler for workers to make sure they are being paid in full, and at the correct rate.

Ministers also brought into law a package of trailblazing reforms, which will give workers ground-breaking new rights. This includes the repeal of the Swedish Derogation — a legal loophole that enabled some companies to pay agency workers less than permanent staff — and a new entitlement to a day one statement of rights setting out details of a new employee's leave allowance.

Business Secretary Greg Clark said:

The UK has a labour market that it can be proud of and we are committed to continue leading the way in workers' rights. That is why we have introduced a new right for all workers to a payslip ensuring workers are paid fairly.

On top this, the legislation approved by Parliament is a significant milestone in our concerted effort to deliver the largest upgrade in workers' rights in over a generation.

This all forms part of the Good Work Plan, which is the cornerstone of our commitment to build a labour market which rewards people for hard work, celebrates good employers and boosts productivity and earning power of workers across the UK.

Last week, Parliament approved the first package of Good Work Plan legislation, which means:

- around 1.5 million people are to receive a day one statement of rights setting out leave entitlements and pay;
- all workers will be better protected from employers who have demonstrated malice, spite or gross oversight, with the maximum additional penalty that Employment Tribunals can use quadrupling from £5,000 to £20,000;
- up to 120,000 agency workers will benefit from the scrapping of the Swedish Derogation an end to the legal loophole which enables some firms to pay agency workers less than permanent staff;
- new agency workers will also benefit from a key facts page before signing up with an agency, which will provide clarity, particularly around their pay;
- employees will have a stronger voice in the workplace. Employees already have a legal right to make a request to be informed and consulted about issues at work and the threshold for them to request these arrangements will be reduced from 10% to 2%

The <u>Good Work Plan</u>, announced in December, formed the Government's response to the independent Taylor Review of impact modern working practices and includes ambitious reforms to ensure the UK leads the world in meeting the challenges of the changing world of work.

In addition, the Government has this month launched a new £1 million advertising campaign to raise awareness of the National Living and Minimum Wage rates to workers and employers. The adverts are part of the Government's ongoing 'A Fair Workplace' campaign, which is designed to highlight a range of workplace rights to help workers understand what they are entitled to and ensure businesses comply with the law.

This form a key part of the Government's modern <u>Industrial Strategy</u>, a longterm plan to build a Britain fit for the future by helping businesses create better, higher-paying jobs in every part of the UK.

## Notes for Editors

- The payslip legislation came into effect on 6 April 2019. Payslips will now include the number of hours worked when a worker is paid according to time-worked, for example hourly or by day.
- The Government commissioned Kantar Media to conduct a poll of over 2,000 people to find out peoples' understanding of payslips and the information they contain
- Workers who believe their payslip is inaccurate should contact ACAS on 0300 123 1100
- The Employment Tribunal increased maximum penalty came into force on 6 April 2019. All other elements will come into force from April 2020.
- The Good Work Plan came as the Government response to the independent <u>Taylor Review of impact modern working practices</u> (2017). The review found that the strength of the UK's labour market is built on flexibility but that a clearer focus was needed on quality of work as well as the quantity of jobs.
- For more information about National Minimum Wage and National Living Wage, please visit <a href="https://www.gov.uk/checkyourpay">www.gov.uk/checkyourpay</a>