

UK Government looks into National Minimum Wage, increases penalty violators

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With the intention to speed up the growth of businesses and the economy the government of UK is focusing on creation of more flexible employment laws and increases protection of the working class. Focusing on the National Minimum Wage (Variation of Financial Penalty) Regulations 2014, the government has introduced stricter penalties and increased fines on rogue employers who are violating the set National Minimum Wage. The announcement to crackdown on employers who pay their workers less than the minimum wage comes in vague of the growing irregularities and violations. Way back in August 2013, the Department of Business, Innovation and Skills (DBIS) announced its stance on reforming the rules to make it easier to name and shame the employers who fail to pay the National Minimum Wage.

The changes set out in the 2014 Regulations will increase the cap of £5,000 to £20,000; further the employers will now have to pay a fine of 100% of the unpaid wages they owe to their workers. Though not much a relief to the working section, the crackdown certainly is in their interests as now the employers engaged in illegally employing underpaid workers will have to pay a penalty of up to £20,000 for each underpaid employee and face further hefty fines and penalties.

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Fair playing ground for employers and staff with improvement in TUPE rules

The Transfer of Undertaking (Protection of Employment) Regulations (TUPE) which protects the employment terms and conditions of employees who are transferred from one organization to another has been recently amended on January 31, 2014. The amendment intends to bring and make the process of transferring business ownership fairer and more effective in the UK by making sure that both, the employers and the employees or staff are treated fairly when a transfer takes place. Under the new Regulation:

1. Micro businesses will be able to inform and consult employees directly when there are no existing appropriate representatives, making the process less bureaucratic. Earlier, businesses had to consult or inform employee representatives like trade unions, etc.
2. The terms and conditions in the collective agreements will now be

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renegotiable by the businesses one year after a transfer takes place.

3. With respect to the employee agreement or where contractual right of variation exists, contractual changes shall be permitted for economic, technical and organizational reasons.
4. With the consent of the old employer, the new employer will be able to engage in pre-redundancy consultation with the employees.

The updated TUPE guidance is provided by the government of UK, [click here](#) to know more.

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Regulating reforms – Government's take on excessive bureaucracy

Excessive bureaucracy stifles business, voluntary organizations and individuals. This UK government's dogma is making it strive towards removing unnecessary red tape, with intentions to encourage economic growth, pace up the public services and increase personal freedom and fairness. The Department of Business, Innovation and Skills (DBIS) has come up with policies and announcements to implement this ideology in practice by increasing the pace of the government's drive to abolishing improving outdated, burdensome or over-complicated regulations which, according to DBIS, waste business's time and money. Since 2011, the commitment of the government has resulted in identification of more than 3,000 regulations for scrapping or improvement. Till now more than 800 regulations have already been abolished or improved. These improvements include amendments or reforms to environment laws, health and safety laws, employment, etc., all in all providing businesses more freedom to grow.

Latest data show that already £300 million per annum is being saved by businesses and firms and this number is predicted to rise over £850 million per annum. The Deregulation Bill, introduced by the government on January 23, 2014 is a further step to reinforce the government's war on unnecessary bureaucracy. The Bill once passed will impose a new 'growth-duty' on regulators, reduce alcohol licensing burdens and remove at-least 1 million 'self-employed' people from health and safety regulation. Moreover, with the help of the digitalization of business, the government is on track to reduce costs to business of tax administration by £250 million by March 2015.

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