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Statutory Rates and Limits

Changes to statutory rates and limits

April 2021 sees an increase in a number of rates and limits of relevance to employers. The key ones are:

- > Limit on a week's pay: **£544** (increased from £538)
- > Maximum unfair dismissal compensatory award: **£89,493** (increased from £88,519)
- > Minimum unfair dismissal basic award: **£6,634** (increased from £6,562)
- > National Living Wage: **£8.91** (increased from £8.72)

The National Living Wage, which currently applies only to workers aged 25 or over, will also be extended to 23 and 24 year olds for the first time.

Injury to Feelings Awards

Injury to feelings: Vento bands increase

The Vento bands for injury to feelings awards have been updated to take account of inflation. For claims made on or after 6 April 2020, the Vento bands are as follows:

- > Lower band – £900 to £9,100
- > Middle band – £9,100 to £27,400
- > Upper band – £27,400 to £45,600

As before, an award for injury to feelings may exceed the top band in exceptional cases.

National Minimum Wage

No entitlement to National Minimum Wage for sleep-in shifts

In *Royal Mencap Society v Tomlinson-Blake*, the Supreme Court has resolved the inconsistent case law on whether workers performing sleep-in shifts are entitled to receive the national minimum wage for the whole shift. The Supreme Court held that the national minimum wage was not payable for the entire shift but only those hours during which the workers were awake and performing duties.

Equal Pay

Equal Pay: Supreme Court confirms supermarket shop staff can compare themselves to warehouse staff

In *Asda Stores Ltd v Brierley and others*, the Supreme Court has held that lower paid supermarket employees (who are predominantly women) can compare themselves to higher paid distribution depot employees (who are mainly men) for the purposes of their equal pay claims.

The Supreme Court confirmed that although the comparator group did not, and could not, work at the same site as the claimants, a comparison could be made because “common terms” applied at both establishments.

The case now goes back to the employment tribunal to consider whether the work performed by the two groups is of equal value.

Diversity and Inclusion

FCA: Diversity and inclusion are regulatory issues

In March 2021, Nikhil Rath, the FCA's CEO, made a [speech](#) at the launch of the HM Treasury Women in Finance Charter Annual Review setting out why diversity and inclusion are regulatory issues. Please see our [client publication](#) for more information on the speech and its potential implications for regulated firms and listed companies.

Whistleblowing

FCA launches new whistleblowing campaign

The FCA has launched a new campaign, “[In confidence, with confidence](#)” to encourage individuals working in the financial services sector to report wrongdoing. Please see our [client publication](#) for further information on the new campaign.

Survey: At a Glance
We'd like to know how useful you find our “At a Glance” publications and how we can improve them. Please click [here](#) to complete a 'one-minute' survey to give us your views. Many thanks!



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Off-payroll Working Rules

Off-payroll working rules in the private sector

After a 12-month delay due to the Covid-19 pandemic, the off-payroll working rules [entered into effect on 6 April 2021](#). The new rules affect businesses in the private sector (other than “small” ones) which engage contractors or consultants through intermediaries.

Where a contractor or consultant provides their services to an end-user (the client) through a personal services company (“PSC”), before 6 April 2021 it was the PSC's responsibility to pay the correct tax and national insurance contributions (“NICs”). For payments made to a PSC from 6 April 2021, however, it will be the client's responsibility to determine the employment status of the individual for tax purposes and, if the individual is a deemed employee, the client, or another person paying fees for the services, must ensure the correct tax and NICs are accounted for.

Trust registrations

Time extension for new registrations

Last year, the trust registration requirements were expanded as part of the UK implementing changes to the EU's [anti-money laundering directive](#). See our [briefing](#) for more information. The original deadline for new registrations was 10 March 2022. However, as updated HMRC systems will now only go live this summer, HMRC have [confirmed](#) that the deadline will extend to the summer next year.

SAYE plans

Extension of payment holiday for SAYE plans

SAYE plan participants have been [allowed](#) extended contribution holidays if unable to contribute due to being furloughed or on unpaid leave. HMRC have now [confirmed](#) that the contribution holiday may be extended beyond the usual 12 months if this is due to the pandemic. HMRC will continue to review this.

Market abuse rules

Delayed disclosure of inside information (DDII)

Last year, the FCA published a [report](#) on DDII notifications under the market abuse rules. See our December [publication](#) for details. The FCA have now [commented](#) on feedback they received, in the context of board changes:

- > The extent to which information is “precise” enough to be “inside information” requires judgement. The FCA factor this into their monitoring and considerations on whether to investigate further; and
- > The market abuse rules must be followed to disclose inside information. Issuers cannot delay announcing negative news until there is positive news to offset it.

Executive pay

Proposed changes to malus and clawback

The government is [consulting](#) on changes to regulator powers and to many aspects of audit. The proposed corporate governance reforms include giving the regulator stronger enforcement powers against directors for breaches of their statutory duties on corporate reporting and audit-related responsibilities. The complementary proposal is for listed companies to strengthen existing malus and clawback powers. See our [briefing](#) for details of these and [this article](#) on the other government proposals. The consultation ends on 8 July 2021.

Corporate governance

Directors' remuneration report guide

Our online tool to help companies put together their annual directors' remuneration report was updated last December for the 2021 AGM season. We have now updated it further to include the latest additional Covid guidance from investors and the 2021 PLSA Stewardship and Voting Guidelines.

Click [here](#) for more details, and [here](#) to view some pages from different sections of the guide.

Glass Lewis: compliance with the Corporate Governance Code

Glass Lewis have published a [review](#) of how companies have complied with the UK Corporate Governance Code. Most FTSE 350 companies complied with the Code in full, but beyond them, only a minority complied in full. The most common remuneration Code provisions FTSE 350 companies failed to comply with were on pensions contributions and post-exit shareholding requirements.

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