Adult and Community Based Services

Direct Payments - Key topics for employers

This factsheet is for individuals who receive a direct payment to employ at least one person.

As an employer you have key areas of responsibility that you need to be aware of. They are:

- The National Minimum Wage
- Holiday entitlement
- Sleepovers
- Pension auto-enrolment

» Pension Auto-enrolment

Every employer with at least one member of staff is required by law to provide a workplace pension if employees meet the qualifying criteria. These are:

- The employee is not already in a pension scheme
- The employee is aged between 22 and state pension age
- The employee earns more than £10,000 a year
- The employee works in the UK

» If my employee meets this criteria what do I need to do?

All the information an employer needs can be found on the Workplace and Pensions website: http://www.workplacepensions.gov.uk/employer/

This website will give you step by step instructions what you need to do. The responsibility for complying with the employer duties rests completely with the employer, and non compliance can result in enforcement actions such as penalty notices and fines. It is the employee's choice whether or not they want to be in a pension scheme, but as the employer your must still follow the relevant steps.

There is an alternative pension scheme set up by government called the "National Employment Savings Trust—NEST". Any employer can use this and it allows the employee to transfer the pot of money with them throughout their working life.

» National Minimum Wage

The National Minimum Wage applies to all employees and workers. If you are classed as an employer you must pay the employee the correct minimum wage. Failure to pay the minimum wage is a criminal offence.

The minimum wage calculator can help check if the correct minimum wage has been paid: https://www.gov.uk/am-i-getting-minimum-wage



Employers can check if:

- they're paying the correct minimum wage
- they owe a worker any payments

There is also guidance on working out the minimum wage for different types of work: https://www.gov.uk/minimum-wage-different-types-work

Useful websites for minimum wage information:

■ https://www.gov.uk/national-minimum-wage/what-is-the-minimum-wage

» Holiday Entitlement

Holiday pay is a statutory right and all employees and workers are entitled to a minimum of 5.6 weeks paid leave from work in a complete holiday year. The below websites help to calculate holiday pay:

- https://www.gov.uk/calculate-your-holiday-entitlement
- http://www.acas.org.uk/index.aspx?articleid=4109

Regulations state that the notice for the holiday period must be twice as long as the period of leave requested. An employer can refuse the holiday by giving counter notice at least as long as the leave requested. An employer can set dates when holidays must be taken e.g. Christmas period, or when you go on holiday.

» Sleepovers

If an employee is required to sleep over as part of their contract, their average pay for all hours worked (including time spent on the sleepover) must be at least the correct minimum wage rate.

There have been recent prosecutions for those whose sleepovers combined with the employee's daily earnings have produced an average of less than minimum wage—therefore it is important the employer pays the correct sleepover rate.

HM Revenues and Customs New Employers Helpline

Telephone: 0300 200 3200

8:00am to 8:00pm, Monday to Friday

8:00am to 4:00pm, Saturday

Closed Sundays, Christmas Day, Boxing Day and New Year's Day



HM Revenue and Customs—Employer's Helpline (Statutory Sick Pay etc)

Telephone: 0300 200 3200

Website: <u>www.inlandrevenue.gov.uk/employers</u>

www.hmrc.gov.uk

» Contact us

You can contact the Early Intervention Team by letter, telephone, text, or email. If English is not your first language, we can provide a translation service.

Our opening times

We open at 8:30am every weekday. We close at 5:00pm from Monday to Thursday. On Fridays we close at 4:30pm.



Telephone: 01429 523390



Text Service: 60006 (start your text with HBC)



E-mail: <u>dutyteam@hartlepool.gcsx.gov.uk</u>



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» About this factsheet

This factsheet tells you about the three key topics for employers in relation to Direct Payments. We issued this factsheet in May 2016 and updated it in April 2018. We will check the information is up to date in April 2020.



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