

ARTICLE: Government consultations

November 2009

The government is carrying out two new consultations in relation to gender pay reporting and parental leave.

Gender pay reporting in the private sector

In a previous article, we dealt with the implications of the Employment Bill which is due to receive Royal Assent in 2010.

(http://www.davidsonlargelaw.com/downloads/jun09employment_bill.pdf)

One of the key aims of the Bill is to promote equality in relation to pay by introducing greater clarity. To this end, one of the clauses of the Bill contains a power for Parliament to issue regulations requiring private sector employers who have 250 or more employees to publish information relating to their employees' pay. In "A Fairer Future", a paper published at the same time as the Bill, the government has committed to not using this power before 2013, and only then if insufficient progress has been made on a voluntary basis.

The Equality and Human Rights Commission (EHRC) has been tasked with developing a set of metrics for such reports and monitoring progress. The EHRC has now published a consultation paper suggesting different methods for assessing the gender pay gap. The paper also seeks views on how the information should be reported.

The consultation closed on 28 October 2009. A separate consultation relating to public sector equality duties closed on 30 September 2009.

Consultation on transferable maternity leave

A new "family friendly policy" has been announced by the government. Consultation will shortly begin on the ability of new mothers to transfer some of their maternity leave to the father of the child.

Currently, fathers are entitled to 2 weeks' paid paternity leave while mothers can have up to 52 weeks maternity leave of which 39 weeks are paid. The new proposals are that, after the first six months of the child's life, a mother can transfer any outstanding maternity leave to the father. If any the outstanding maternity leave is classified as paid leave (which could be up to three months) then the parents will continue to receive Statutory Maternity Pay. As matters currently stand, both Statutory Maternity Pay and Statutory Paternity Pay are paid at a rate of £123.00 per week. Parents also have the option to take up to 13 weeks as unpaid parental leave at any time up to the child's fifth birthday, and parents with children under the age of 16 can already apply for flexible working.

It is envisaged that this new scheme will be introduced for parents of children due on or after 3 April 2011 in order to give businesses time to adjust. However, Business Minister Pat McFadden anticipated that "less than 1% of small businesses" would be affected by the change and promised that "we will work with businesses to make sure any changes are introduced in a way that minimises burdens and gives them predictability".

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The purpose of these new proposals is to give families greater choice and flexibility. It will enable parents to divide a period of paid leave between them, and help fathers play a greater role in bringing up their children. A consultation on these proposals is anticipated shortly.

If you would like further information on any of the matters above, please contact David Hill at dhill@davidsonlarge.com or Lucy Bond at lbond@davidsonlarge.com.

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