

EMPLOYMENT LAW GUIDE

EMPLOYING Domestic Staff in The UK

While personal and domestic staff are often engaged to help simplify domestic and business arrangements, navigating the web of employment laws, tax and other regulatory obligations can be complex, especially for first-time employers.

This guide sets out the key legal considerations when hiring domestic staff in the UK and seeks to help you build an employment relationship that is both effective and compliant.

Our <u>employment team</u> can support you though each stage of this relationship, ensuring you have the appropriate arrangements in place and advising on any employment disputes that may arise. With experience acting for both high-net-worth individuals and established businesses, we are in a unique position to understand the employment relationship from both sides.

EMPLOYMENT STATUS AND RIGHT TO WORK IN THE UK:

Establishing the employment status of the domestic worker (whether employee, worker or self-employed independent contractor) should be done at the outset of the relationship as this can have important legal and tax implications.

It is also crucial to comply with all necessary immigration requirements and to check that staff have the legal right to work in the UK. It is unlawful to employ someone who does not have the right to reside and the appropriate right to work in the UK or who is working in breach of their conditions of stay. Employers in breach of their obligation to prevent illegal working may be liable for a fine and commit a criminal offence. Our specialist <u>immigration team</u> has an established reputation in advising in this area and can help guide you through these obligations.

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TERMS OF EMPLOYMENT:

Anyone legally classed as an employee or worker has the right to a 'written statement of employment particulars' when they start work. This document sets out the main conditions of employment.

The rights under a contract of employment are in addition to statutory minimum requirements, such as National Minimum Wage, minimum notice periods and annual leave entitlement. While the parties are generally free to agree contractual terms, the contract cannot impose a term which gives the employee fewer rights than provided for under the law.

Although some terms will be implied into the employment contract, such as the implied duty of fidelity and confidentiality, it is advisable that the contract contains express confidentiality and discretion terms. This is especially important in the context of domestic staff who may have access to personal information about the private affairs of both you and your family.

Where a domestic worker resides in your home, or is provided with accommodation as part of their job, this should be clearly documented to avoid the individual becoming entitled to any property rights and to ensure that the employee can be removed from the property once their employment comes to an end.

As an employer, you will also be required to deduct income tax and National Insurance Contributions from your employees' wages through the Pay As You Earn (PAYE) scheme.

EMPLOYING ON A PART-TIME BASIS AND FLEXIBLE WORKING:

If you wish to employ a member of staff on a part-time basis, it is important to note that these workers have a right not to be treated less favourably than comparable full-time workers. Employees also have the right to request flexible working if they have been employed continuously for 26 weeks or more and employers must respond to such requests reasonably and within three months of the request being made.

DATA PROTECTION:

Data protection legislation must be complied with and employers should review how they process the personal data of their staff to avoid falling foul of the GDPR.

It is also important to have a privacy notice in place which informs staff of how and why their personal data will be used. Our Data Protection team provides practical support to ensure compliance with data protection legislation, including the GDPR and Data Protection Act 2018.

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FINANCIAL, TAX AND INSURANCE CONSIDERATIONS:

Anyone employing an individual in the UK must register as an employer with HMRC and obtain employer's liability insurance.

As an employer, you are liable to pay Statutory Sick Pay (SSP) to employees who are absent from work due to sickness and who meet certain qualifying conditions. In general, it is payable for up to 28 weeks.

All employers in the UK are required to automatically enrol eligible workers into a pension scheme and make mandatory minimum contributions.

FAMILY FRIENDLY RIGHTS:

Employees who become parents are entitled to pay and time off work, provided they meet certain qualifying conditions. Such payments include Statutory Maternity Pay, Statutory Paternity Pay, Statutory Adoption Pay, Shared Parental Pay and Parental Bereavement Pay.

DISCRIMINATION:

The law protects workers from unlawful discrimination on the grounds of a protected characteristic, such as age, sex or disability. There are various types of discrimination, including treating someone less favourably on the grounds of a protected characteristic, failing to make reasonable adjustments or subjecting someone to harassment.

TERMINATING EMPLOYMENT:

If an employee has been continuously employed for at least two years, then they are entitled not to be unfairly dismissed. There are certain circumstances where this two-year rule does not apply, such as if they have blown the whistle on perceived legal wrongdoing.

Dismissal must be for a "potentially fair" reason (as prescribed by law) and must also follow a proper procedure. It is advisable to have written policies and procedures in place for dealing with grievances or disciplinary matters.

Employers must also ensure that they provide the employee with their full notice entitlements before dismissing them. Employees are entitled to statutory minimum notice periods (although their employment contract can provide for longer periods of notice).

There is generally no legal obligation to provide a reference for a former employee. However, your policy on whether or not to give references, and what sort of information to include, should be consistent to avoid allegations of discrimination or breach of the implied term of trust and confidence.

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5

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