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GRIST

UK GOVERNMENT ANNOUNCES HR AND BENEFIT CHANGES IN QUEEN'S SPEECH

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Changes to the UK's immigration system, a new requirement for employers to pass on all gratuities to workers, further reform of employment law, and enhanced protections for pension schemes feature in the UK government's work program announced in the Queen's Speech on 14 October. Certain factors — for example, Brexit and the timing of a general election — could influence the progress of these initiatives.

HIGHLIGHTS

Immigration and Social Security Coordination Bill. The bill, which would apply to England, Scotland, Wales and Northern Ireland, would make a number of reforms:

- Introduce from 2021 a new points-based immigration system reflecting people's skills. The same controls will apply to EU and non-EU citizens arriving in the UK after January 2021.
- Clarify the deadline for EU nationals and their families in the UK before Brexit to submit applications to remain in the country under the UK's settlement scheme. The application deadline is 30 Jun 2021 if the UK leaves the EU with a deal, or 31 Dec 2020 absent a deal. If the UK leaves the EU without a deal, EU citizens moving to the UK after Brexit would have to apply for a temporary immigration status — European Temporary Leave To Remain — until the new points-based system takes effect.
- Change the current rules on access to social security benefits and social security coordination applicable to EU nationals.

Employment (Allocation of Tips) Bill. The bill would require employers to pass on all tips, gratuities and service charges to workers without deductions. Employers would have to follow a statutory code of practice to ensure the fair and transparent distribution of tips. The bill would apply to England, Wales and Scotland.

Pension Schemes Bill. The bill, which would apply to England, Wales, Scotland and Northern Ireland, would aim to:

- Increase pension options for employers to offer their workers and provide a framework for the establishment, operation and regulation of collective money purchase schemes (known as collective defined contribution pensions).
- Introduce a framework for a pensions dashboard and a requirement for pension schemes to provide timely information to consumers.
- Enhance the Pensions Regulator's powers, including stronger sanctions that would impose up to seven years' imprisonment and civil penalties up to £1 million for a new set of criminal offences.

Continuation of employment reforms. The government said it will continue to implement the 2018 [Good Work Plan](#), which set out a vision for the labor market that includes these reforms:

- A program would promote fairness, flexibility, support for working families and workplace participation, although the Queen's Speech did not set out specific measures.
- The [National Living Wage](#) will increase to two-thirds of median salary, and the qualifying age will decrease to 21 years — down from 25 — 'within the next five years'. Further details will be announced in the next budget.

RELATED RESOURCES

Non-Mercer Resources

- [Queen's Speech](#) (Houses of Parliament, 14 Oct 2019)
- [Information on UK Settlement Scheme for EU Nationals](#) (UK Government)
- [National Minimum Wage and National Living Wage Rates](#) (UK Government)
- [Good Work Plan](#) (UK Government, 17 Dec 2018)

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- [UK Tackles Labour Enforcement, Family Leave, Flexible Work](#) (25 Jul 2019)
- [UK Confirms Money and Pensions Service To Offer Pensions Dashboard](#) (2 May 2019)
- [UK To Move Forward With Collective Defined Contribution Schemes](#) (28 Mar 2019)
- [UK Government Responds to Consultation on Pension Regulator's Powers](#) (6 Mar 2019)

- [UK Pensions Dashboards in the Works](#) (4 Feb 2019)
- [UK Publishes Proposals To Achieve 'Good Work'](#) (9 Jan 2019)

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