



**Global Employment  
Compass**  
UK

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# 1. Summary of applicable rights for different categories of workers

	Employees (part-time or full-time)	Independent contractors/ service providers	Volunteers
<b>Employment laws and regulations</b>	Yes	No*	No**
<b>Employees' compensation/ remuneration requirements</b>	See <a href="#">below</a>	See <a href="#">below</a>	See <a href="#">below</a>
<b>Minimum wage requirements</b>	Yes	No*	Potentially, no***
<b>Mandatory provident fund/retirement benefit fund contributions</b>	Yes	No*	No**
<b>Immigration requirements including the right to work in your country</b>	Yes	No****	No****
<b>Personal Data (Privacy) laws and regulations</b>	Yes	Yes	Yes
<b>Anti-discrimination laws and regulations</b>	Yes	Potentially, if engaged under a contract personally to do work	No*****

\* assumes a genuine self-employed independent contractor/service provider arrangement and the individual not being deemed to be an employee or worker

\*\* assumes a genuinely voluntary arrangement and the individual not being deemed to be an employee or worker, or under a contractual obligation to carry out any work

\*\*\* assumes a genuinely voluntary arrangement and the individual not being deemed to be an employee or worker. Volunteers need not be paid the national minimum wage if (i) they work for a charity, voluntary organization or statutory body; and (a) they receive only reasonable expenses arising from the performance of duties or benefits in kind in the form of subsistence or accommodation; or (b) they are placed by a charity or similar body with another charity or similar body and they receive money for subsistence

\*\*\*\* there is no civil penalty risk in respect of any individuals other than employees, but due to the potential reputational risk, many organizations nonetheless carry out right to work checks on independent contractors and volunteers



\*\*\*\*\* assumes a genuinely voluntary arrangement and the individual not being deemed to be “in employment” as defined by the Equality Act 2010, which includes employment under a contract of employment, a contract of apprenticeship or a contract personally to do work. Further, that by offering opportunities for volunteering, the organization is not deemed to be providing a service (and not therefore caught by Part 3 of the Equality Act 2010 which deals with discrimination in the provision of goods, services and facilities).



## 2. Legal requirements/rights/ practices for different categories of workers

### a. Employees

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#### *Definition of an employee*

There are several definitions of "employee" under UK law, which have often been construed by legal tests set out by the courts. Under section 230(1) of the Employment Rights Act 1996, an employee is defined as: "*an individual who has entered into or works under (or, where the employment has ceased, worked under) a contract of employment*". A contract of employment is defined as "*a contract of service or apprenticeship, whether express or implied, and (if it is express) whether oral or in writing*" (section 230(2) of ERA 1996). The key factors identified in case law for determining if there is a contract of service are personal service, control and mutuality of obligation. The other factors defining the relationship must also be consistent with there being an employment contract.

### 1 Contracts of Employment

**What types of employment contracts are available? E.g. fixed term, part time, zero hour contracts, other? Are there any specific employment contracts available for non-profit organizations?**

Fixed-term, part-time and zero hours contracts are available. Additionally, a range of atypical contracts exist. These include home-workers, volunteers, office holders, secondees and apprentices. Some are workers, not employees, and this will depend on the circumstances.

**What are the key terms of employment contracts?**

Employment contracts for junior employees commonly include:

- start date;
- job title;





- place of work;
- hours;
- salary;
- notice;
- holiday;
- pension;
- sickness absence; and
- discipline and grievance.

In addition to the provisions detailed above, senior executive contracts typically also include the following:

- terms addressing confidentiality;
- restrictive covenants;
- governing law clause; and
- stock exchange rules.

**Is it acceptable to have a probation period for employees? If yes, for how long?**

There is no statutory probationary period but it is common to agree one in the contract. Typically, this might be for 3 or 6 months (the period being a matter for agreement between the parties – where the employee is new to the business or for a senior role, it is usual for a longer probationary period to be agreed) and often a right to extend this is reserved (often, the length of any extension is not specified, as it will depend on the circumstances that have necessitated the extension).

**Are fixed term employment contracts permissible? Are there any limitations on fixed term contracts? Are there any requirements to have a fixed term contract?**

Fixed term contracts are permissible. Fixed-term contracts are not subject to particular conditions/justifications, except in case of successive fixed term contracts exceeding four years total duration. There are no particular formalities for a fixed-term contract. There is no maximum duration, but after 4 years' continued employment any renewed fixed term must be objectively justified, otherwise employment becomes permanent.

Fixed-term employees have the right not to be less favorably treated than a comparable permanent employee, unless such treatment can be objectively justified. Employers must inform fixed-term employees of any permanent vacancies that become available.

**Do employment contracts have to be in writing? Are there any signatory requirements for employment contracts? For example, could they be signed in-person or electronically, etc.)?**

Employment contracts do not have to be in writing, however employers must provide employees and workers with a written statement of the main terms of their employment no later than the date the employment starts. For employment starting on or after 6 April 2020, there are additional particulars that must be included in the statement of the terms of employment. There are no





legally required signatory requirements for employment contracts, and they can be signed in-person or electronically.

**Do employees have to be issued with a written employment contract before they start work?**

Please see [above](#).

**Can you provide a simple template of the contracts mentioned above?**

There is no universal template in the UK. The contract should be prepared based on the particular circumstances of the appointment.

**Is there an obligation for an employer to run a criminal record check to the extent that any individual they hire will be working with children or vulnerable people?**

Yes, it is a legal requirement that employees working unsupervised with children must undergo an enhanced DBS check. It is also the law that volunteers whose duties involve specific contact with children must undergo an enhanced DBS Check.

**Can employers request references from former employers for new hires?**

Yes.

**Is an employer required to set up any form of employee representative body? If so, what is the trigger for this?**

As a general principle, there is no obligation to set up an employee representative body. An exception to this is that, on the initiative of the employer or by a written request by at least 2% of the employees (subject to a minimum of 15 and a maximum of 2,500), information and consultation agreements may, and in some cases must, be put in place to govern how certain employers will inform and consult their employees about economic and employment-related matters, with a consequent requirement to have a body in place for that purpose (Information and Consultation of Employees (ICE) Regulations 2004).

However, in the event that the employer is contemplating certain activities, employees must be collectively represented by a recognized trade union or elected employee representatives. These circumstances include:

- collective redundancies;
- certain business transfers (for example, business sales and outsourcing);
- takeovers of listed companies (where there are already representatives in place);
- health and safety issues;
- certain pension changes; and
- where there are European works council (EWC) agreements or national works council agreements providing for collective information and consultation.

A duty to inform arises in the above circumstances, although in relation to EWCs or national works councils it depends on the terms of the relevant agreement.

In most of the circumstances outlined above, a duty to consult also arises, with the exception of listed company takeovers and some business transfers. In relation to EWCs and national works





councils, the obligation to consult depends on the agreement. Co-determination rights do not exist under UK law, although an employer may have agreed to these separately.

**Is it common to have collective agreements in your jurisdiction that apply to all employers in a particular region or sector?**

No. Collective agreements in the private sector are primarily agreed at company level, not at sector or national level.

## 2 Conditions of employment

**What is the minimum age requirement for employment?**

Age 13 for part-time work. The minimum school leaving age for full-time work (a maximum of 40 hours per week).

**What type of work may a child undertake? For example, are there any specific restrictions?**

Children are not allowed to work:

- without an employment permit issued by the education department of the local council, if this is required by local bylaws
- in places like a factory or industrial site
- during school hours
- before 7am or after 7pm
- for more than one hour before school (unless local bylaws allow it)
- for more than 4 hours without taking a break of at least 1 hour
- in any work that may be harmful to their health, well-being or education
- without having a 2-week break from any work during the school holidays in each calendar year

There are also special rules around maximum hours which only apply during term times and school holiday times.

It should be noted that insurance restrictions often place limits on the minimum age of employees and/or the activities they may undertake.

### Wages

**What is the minimum wage requirement for employees? Are there any exceptions in minimum wages for young persons or people with disabilities?**

There are five minimum wage rates, these rates change every April. The hourly rates for the period 1 April 2023 to 31 March 2024 are:

- age 23 and over: £10.42
- ages 21-22: £10.18
- ages 18-20 (development rate): £7.49







- aged under 18, above the compulsory school age and not apprentices (young workers rate): £5.28
- apprentices under 19 or in the first year of apprenticeship (apprenticeship rate): £5.28

**Are there any conditions which warrant a pay raise or extra pay? If yes, what are they?**

No, only if agreed as part of the contract.

**When are wages due? For example, is there any obligation to pay wages weekly, or monthly?**

There is no legal obligation around the timing of the payment of wages, but it is a legal obligation to specify in writing various employment terms, including the intervals at which remuneration is paid. Payment should be made in the intervals set out in that written statement/contract.

**Are employers obliged to provide employees with paid leave on public holidays?**

There is no obligation to also give employees paid holiday on public holidays, unless contractually agreed.

**Are employers obliged to provide employees with annual leave?**

All employees and workers are entitled to a minimum of 5.6 weeks' (28 days including bank holidays) paid annual leave per year (pro-rata for a part-time worker).

**Are employees entitled to receive their usual salary during their annual leave?**

Yes.

**Is there a requirement to pay overtime? How is overtime compensated?**

Employees are entitled to payment for work undertaken, although there is no legal obligation to pay a higher rate for overtime.

**Are there any extraordinary circumstances that could be relied on to temporarily cease paying employees for the hours worked?**

Employees are generally entitled to payment for hours worked. Employers may however exceptionally deal with an unexpected downturn in its business or unforeseen circumstances by laying off employees (i.e. the employer provides employees with no work for a period while retaining them as employees) or putting them on short-time working (i.e. providing employees with less work for a period while retaining them as employees). Employees who are laid-off or put on short-time working should get their usual full pay unless the contract specifies that the employer can lay the employee off without pay or on reduced pay. Employees who are laid off or put on short-time working without pay (e.g. where the employer has a contractual right to lay-off without pay) are entitled to some payment for days they do no work at all. This is called 'statutory guarantee pay' and is the legal minimum an employer must pay.

**Are employees entitled to an end-of-year payment?**

No, unless contractually agreed.

**Are employees entitled to payments when their employment contract is terminated, such as notice or notice pay, accrued or untaken holiday and/or statutory severance?**





In the absence of a contractual term providing for longer notice, under common law reasonable notice will have to be given. What is reasonable will depend on the type of business and role. In any event, the following minimum notice must be adhered to where the employee has been employed for one month or more:

- By the employer – where the employee has less than 2 years' service, the minimum notice is 1 week. Thereafter, employees are entitled to 1 weeks' notice for each year of continuous employment, capped at 12 weeks.
- By an employee – not less than one week's notice.

An employee can, in the employment contract or later, agree to accept a payment in lieu of notice.

It is also possible to make a contract for a fixed period of time that automatically terminates at the end of the defined period. However, non-renewal of a fixed-term contract is deemed to be a dismissal.

Employees will also be entitled to the payment of any accrued untaken holiday entitlement on termination of employment.

Where the reason for termination is redundancy, employees will be entitled to a statutory redundancy payment, calculated based on a statutory formula that takes account of the length of service and age. There is no separate entitlement to statutory severance outside of a termination for redundancy.

## Working hours

### **What is considered a full time working week? If the employee is contractually required to work less than this amount are they considered a part time employee?**

There is no universal definition of part-time or full-time work, although the terms are defined for the purpose of specific legislation. There is also no legally defined minimum number of hours an individual must work to be considered a full-time employee.

Under The Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000, a part-time worker is a person who is paid wholly or in part by reference to the time they work, and who is not identifiable as a full-time worker having regard to the employer's custom and practice in relation to workers employed under the same type of contract. A full-time worker is a person who is paid wholly or in part by reference to the time they work, and who is identifiable as a full-time worker having regard to the employer's custom and practice.

### **Are there fixed public/statutory holidays each year? Can employees be required to work on public/statutory holidays? Are employees entitled to any other type of leave besides public/statutory holidays?**

There are fixed public holidays in the UK, although employees can be required to work on such public holidays.

In addition to sick leave, other types of leave besides public holidays include:

- **Maternity leave:** The statutory entitlement to maternity leave is to 52 weeks, 2 (or 4 weeks depending on work environment) of which must be taken by the mother and the remaining 50 of which can be transformed into shared parental leave which can then be taken by either parent.





The entitlement to statutory maternity pay (SMP) is 6 weeks at 90% of full pay followed by 33 weeks at prescribed rate of £172.48 per week for the period 11 April 2023 – 10 April 2024 or 90% of average weekly earnings (whichever is lower). SMP is subject to 26 weeks continuous employment.

- **Paternity leave:** The statutory entitlement to paternity leave is to 2 weeks. The entitlement to statutory paternity pay is to 2 weeks at £172.48 per week for the period 11 April 2023 – 10 April 2024, or 90% of weekly average earnings (whichever is lower) subject to 26 weeks continuous employment. The father (or partner in adoption) can also claim unpaid parental leave or shared parental leave if the mother (or main adopter) curtails maternity leave (or adoption leave) to transform the remainder into shared parental leave.
- **Parental leave:** There are three types of parental leave:
  - a. Unpaid parental leave: The entitlement is to up to 18 weeks' unpaid leave for each qualifying child up to the child's 18th birthday, which can be taken in blocks of up to 4 weeks per year unless the employer provides otherwise. This leave is subject to 12 months' continuous employment.
  - b. Shared parental leave: The entitlement is to up to 50 weeks if the mother has curtailed her maternity leave and has converted any remaining leave period into shared parental leave. The leave can be taken by either parent. Statutory pay is based on what SMP is left. This leave is subject to 26 weeks' continuous employment.
  - c. Parental bereavement leave: The entitlement is to 1 week, 2 continuous weeks, or 2 separate weeks leave following the death of a child under 18 or a stillbirth after 24 weeks of pregnancy. There is no minimum length of service requirement for leave, although the pay entitlement is subject to 26 weeks' continuous employment. The leave can be taken by either or both parents and is paid at the same rate as statutory paternity pay or shared parental pay.
- **Adoption leave:** One half of the adopting couple may take 26 weeks ordinary adoption leave plus 26 weeks additional adoption leave. Note that only one person in a couple can take adoption leave. The other partner could get paternity leave instead. The statutory adoption pay entitlement is to 6 weeks at 90% of full pay followed by 33 weeks at prescribed rate £172.48/week per the period 11 April 2023 – 10 April 2024 or 90% of average weekly earnings (whichever is lower). Statutory adoption pay is subject to 26 weeks' continuous employment.

**Do part time employees receive any particular protection on the basis of their part-time status?**

Yes. Part-time employees have the right not to be less favorably treated in their contractual terms and conditions than comparable full-time workers, unless different treatment is justified on objective grounds.

**Do part-time employees receive the same pro-rated terms to full time employees, e.g. in relation to pay and benefits?**

Yes. Part-time workers must receive the same basic rate of pay as comparable full-time workers. They must not be given a lower hourly rate, unless justified by objective grounds.





Part-time workers should also not be treated less favorably than full-time workers in terms of calculating the rate of sick pay or maternity pay, the length of service required to qualify for payment or the length of time for which the payment is received. In addition, part-timers should be allowed to participate pro rata in benefit and profit share or share option schemes, unless there are objective grounds to exclude them, and employers must not discriminate between full and part-time workers in relation to access to pension schemes, unless different treatment can be justified on objective grounds.

## **Social security**

### **What social security contributions are employers obliged to pay? Presumably, pro-rated contributions are required for part time employees?**

Employers must pay National Insurance contributions (NICs) related to earnings from employment, and the cash equivalent value of certain benefits in kind. The amount of contributions depends on the amount of earnings/benefits, rather than whether an individual is full-time or part-time. Different thresholds, rates and categories apply to determine the NICs payment.

### **Are employers obliged to provide health insurance to their employees?**

Providing health insurance is not mandatory.

### **Are employees entitled to unemployment insurance/benefits following the end of employment?**

Employees might be able to claim benefits following the end of their employment, for example Universal Credit. Entitlement will depend on their personal and financial situation.

### **Are employers obliged to provide sick leave? If yes, for how long? How many days have to be paid by employers? Is it possible to have unpaid sick leave?**

Eligible employees who are absent from work due to incapacity may be entitled to receive a weekly Statutory Sick Pay (SSP) payment for up to 28 weeks in any period of incapacity for work (or linked periods of incapacity). The weekly rate for the period 11 April 2022 to 10 April 2023 is £99.35 and £109.40 for the period 11 April 2023 to 10 April 2024) after 4 days of absence. Beyond SSP, there is no statutory entitlement to sick pay, although employers may pay sick pay in excess of the statutory entitlement. Employers must be transparent on the position regarding sick leave and pay by specifying in written particulars any terms and conditions relating to incapacity for work due to sickness or injury.

### **Are employers obliged to provide maternity leave for employees? If yes, for how long? How many days/months have to be paid by employers? Is it possible to have unpaid maternity leave?**

Please see [above](#).

### **Is paternity leave available to employees? If yes, for how long? How many days/months have to be paid by employers? Is it possible to have unpaid paternity leave?**

Please see [above](#).

### **Are employers liable for absence due to work-place injuries?**

Employers will be liable for sick leave and/or pay in the usual way. Employers' liability insurance is mandatory in the UK and may help pay compensation if an employee is injured or becomes ill because of the work they do.





### **Are employees entitled to retirement benefits from the employer? If yes, what benefits?**

Yes. Employers with workers in the UK are required to automatically enrol eligible workers into a qualifying pension scheme and pay minimum employer contributions or provide a minimum level of benefits. Workers have the right to opt out. However, employers are required to automatically re-enrol eligible workers who opt out approximately every 3 years after the auto-enrolment requirements first apply to them. While the employee remains an active member of the scheme, their employer will be required to pay a minimum level of pension contributions.

### **Are employers obliged to introduce reporting channels and legal safeguards for whistleblowers?**

Except in certain sectors such as financial services, there is no general obligation on employers to have a written whistleblowing policy or procedure. However, it is considered best practice to do so. Encouraging a culture where concerns are reported at an early stage will make it easier for effective action to be taken to address those concerns, and an effective internal whistleblowing policy makes it less likely that a worker's disclosure to an external agency (particularly to the press) would be protected under the whistleblowing legislation. Having a whistleblowing policy in place may also assist an employer to show that they have taken "adequate measures" to prevent bribery in the workplace.

## **3 Safe and supportive work environment**

### **Broadly what measures have to be in place to ensure employers uphold health and safety? (such as fire or earthquake drills)**

Employers are responsible for ensuring the health and safety of their employees and those that are affected by their activities so far as reasonably practicable. The range of legal obligations placed on employers with respect to health and safety is extensive, with the particular obligations which apply in any given case depending on factors including the activities carried out by the company and the extent of the risks posed by those activities. Employers must assess and review the work-related risks faced by its employees and by others affected by the company's activities. This risk assessment must be "sufficient and suitable".

### **Is there a requirement for an employer to issue any form of non-discrimination policies? (such as gender equality policies, equal employment opportunities, diversity, and inclusion policies, etc.)**

Employers are not generally required by law to have a DEI/ equal opportunities/non-discrimination policy. However, it is often considered best practice to do so. Such policies should cover all staff, including volunteers, and not just employees.

In addition, under the Equality Act 2010, anything done by an employee in the course of employment is treated as having also been done by the employer, regardless of whether the employee's acts were done with the employer's knowledge or approval. However, there is a defense available to an employer if it can show that it took all reasonable steps to prevent the employee from doing the discriminatory act or from doing anything of that description. Having in place a DEI / equal opportunities / non-discrimination policy, provided it is implemented with proper training and publicity, and appropriate action is taken in the event of breach, can help an employer establish the "reasonable steps" defense.

### **Is there a requirement to provide employees with training designed to combat discrimination and harassment?**





There is no such legal requirement, but see [above](#).

### **Is there a requirement to have a data protection policy?**

There is no legal requirement for a written data protection policy, although it is advisable, especially in larger organizations, and having a policy will help employers comply with the accountability principle.

### **Is it mandatory for employers to have a Child Protection Policy (CPP)? Are employees obliged to provide training on CPP to its employees?**

Employers have a responsibility to keep all the children they work with safe. This means making sure they have somewhere safe to work, and that their job is suitable for their age and ability.

Organizations that work with children and families should have policies and procedures in place to ensure the safety of the child. Such policies should be implemented with proper training and publicity, and it should be ensured that appropriate action is taken in the event of breach.

## **4 Tax**

### **Which taxes are mandatory for employers to pay and deduct on behalf of their employees?**

Employers making payments to employees must operate PAYE to assess and deduct income tax (and employee national insurance contributions) from certain payments, benefits and notional payments that it makes (or is treated as making) to employees including former employees.

### **Are all employee taxes deducted from the salary that the employer pays or is there a requirement for employees to pay certain taxes directly?**

Usually, it is employers who make payments to employees and, therefore, it is employers who are required to operate PAYE.

## **5 Remote work**

### **Are employers required to have a registered legal entity in the jurisdiction in order to employ employees in the jurisdiction?**

No, but most businesses in the UK will be set up as a sole trader, limited company or partnership and will normally need to register as an employer with HM Revenue and Customs (HMRC) when they start employing staff.

### **Are employers required to provide any form of physical working space for employees working in your country?**

Employees may work from the company location and/or from a remote location. It must be ensured that, whatever the work location, employers ensure the health and safety of their employees and those that are affected by their activities so far as reasonably practicable. Every room where persons work should have sufficient floor area, height and unoccupied space for purposes of health, safety and welfare.

### **Please provide general instructions for employers on what to check if the employer has remote employees, including concerning employee tax liabilities.**





The employer tax liabilities will be the same whether employees are working in the physical employer premises or remotely in the UK, although there may be some tax relief that employees working remotely can claim.

In the event that employees are working remotely from another jurisdiction, an employer will need to assess the tax obligations that will arise in the country in which the employee is working. Whilst each jurisdiction will have different obligations in terms of the payment and deduction of taxes, the following factors are likely to be relevant: where is the employee living and working, does the employee split their time working in different jurisdictions? What nationality is the employee? Where do they have tax residence? Where is the company for which they are working based?

## 6 What to do when things go wrong

### Dispute resolution

#### **Do employees (including volunteers) need to go through any form of dispute resolution before bringing a claim to a court or tribunal?**

Yes. Other than in limited circumstances, all employees who want to raise a claim in an employment tribunal must complete Acas early conciliation before the tribunal will accept their claim.

### Resignation

#### **What grounds do employees have for resignation?**

There are no legally specified grounds for resignation. An employee can resign for any reason at any time. A constructive dismissal may occur (and the employee may bring a claim) where the employee resigns in response to conduct by the employer that amounts to a repudiatory breach of contract.

### Termination

#### **What grounds do employers have for the termination of employment contracts?**

There are five potentially fair reasons for dismissal:

- conduct (for example, theft);
- capability or qualifications (for example, poor health or poor performance);
- redundancy (for example, layoffs);
- statutory restriction (for example, breach of immigration rules);
- some other substantial reason' (this covers dismissals that are fair and reasonable but which fall outside the four other grounds).

#### **How do employers have to document the termination of an employment contract?**

The employer must act reasonably in terminating the employee's employment. In order for a dismissal to be fair, it must be on one of five specified grounds (conduct, capability, redundancy, statutory restriction, some other substantial reason). The ground on which an employee is dismissed will determine the action which an employer will need to take in order for the termination to be reasonable. Although not legally required, it is often advisable to document the process taken. Employees are legally entitled to a written statement of the reason(s) for dismissal.





Typically, an employer must investigate the facts, meet the employee to discuss the situation and allow them to put forward their views, warn the employee before deciding to terminate and, in certain situations, consider alternative employment and other adjustments. Further detail on the procedure which should be followed in Great Britain when terminating on each of the five grounds is set out below. NB. The position in Northern Ireland is different; a statutory disciplinary procedure applies and non-compliance risks increased compensation and an automatically unfair dismissal.

- *Conduct*: The employer must believe, on reasonable grounds, that the employee is guilty of misconduct, having carried out an investigation and convened a disciplinary hearing with the employee. A code of practice issued by ACAS (a state body) exists to guide employers on acting reasonably. Non-compliance with the code can result in increased financial penalties against an employer where the employee successfully claims unfair dismissal.
- *Capability terminations involving poor performance*: The employer is normally expected to tell the employee what is expected from them, offer training or supervision, identify shortcomings, provide a chance to improve and warn the employee of the consequences of failing to improve. The above ACAS code of practice also applies to poor performance capability dismissals.
- *Capability terminations relating to poor health*: The employer is expected to obtain medical evidence, meet the employee to discuss the situation and consider reasonable adjustments or alternative employment.
- *Redundancies*: An employer is expected to warn and consult employees (and sometimes their representatives), adopt fair selection procedures and consider alternative employment within the group for those affected.
- *Statutory restriction*: Typically, before deciding to terminate, the employer must consider the extent of any restriction, its duration and alternatives to termination.
- *Some other substantial reason*: Acting reasonably depends on the circumstances and typically involves investigating the facts, consulting the employee and exploring alternatives to termination.

### **What is the responsibility of employers for damages incurred by an employee's actions within his/her work?**

Employers can be held vicariously liable for acts (such as negligence) carried out by an employee in the course of their employment.







## b. Independent contractors/consultants\*

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#### *Definition of an independent contractor/consultant*

There is no legal definition of an independent contractor/consultant, but an individual who is neither an employee nor a worker will be self-employed for employment law purposes.

*\*The term consultant will be used to also refer to independent contractors, or any other term that would mean a natural person that provides goods or services under a written contract or a verbal agreement but does not work to meet the definition of employee.*

### 1 Contracts

#### **What types of independent contractor/consultant agreements are available? Are there any specific agreements available to NGOs?**

There is no legal requirement for any particular form of agreements when engaging independent contractors /consultants, and no legally required agreement format for NGOs. When engaging contractors/consultants on an ad hoc basis, a "framework" agreement with the contractor/consultant is often used, with separate letters of instruction (or similar) then provided in advance of each new instruction.

#### **What are the main elements of consultant agreements?**

Consultancy agreements will typically include provisions around the term of the engagement, duties and obligations, fees, expenses, confirmation information, data protection, intellectual property, insurance and liability, termination, status, notices, third party rights, governing law and jurisdiction.

#### **Is it possible to have probation periods for independent contractors/consultants? If yes, for how long?**

It is legally possible to have probation periods for independent contractors/ consultants. However, this is not recommended as it could be considered to be inconsistent with the nature of an independent contractor/consultant relationship, particularly since such provision would indicate a level of control/mutuality of obligation.

#### **Is it possible to have a fixed term consultation/independent contractor agreement? Are there any restrictions around fixed term consultant/independent contractor agreements?**





Yes, is it possible to have a fixed term consultation/independent contractor agreement. Although there are no restrictions around the length of the term, most usually this would be for the term of a particular project, as the nature of a consultant/independent contractor arrangement is often that the arrangement ends when the work is completed.

**Do independent contractor/consultant agreements have to be in writing? Are there any signatory requirements? For example, could they be signed in-person or electronically, etc.)?**

There is generally no legal requirement for the consultant/independent contractor agreement to be in writing, although this is often considered best practice. The agreement can be signed in person or electronically. Where any power of attorney is included in the agreement (for example, in relation to intellectual property), it is recommended that the agreement is signed as a deed.

**Do all types of independent contractors/consultants have to be under contract in order to be able to work?**

The contract will set out the terms on which the work will be carried out, but there is no legal obligation for this to be in any particular format, and it can be a verbal or written agreement.

**Can you provide a simple template of the agreements mentioned above?**

There is no universal template in the UK. The agreement should be prepared based on the particular circumstances of the appointment.

**Is there an obligation to run a criminal record check to the extent that any independent contractor will be working with children or vulnerable people?**

Employers should ensure that they have robust means of ensuring the suitability of individuals, including through their use of interviews and references. Where an independent contractor will be working with children or vulnerable people, organizations need to arrange an enhanced criminal records check through the Disclosure and Barring Service (DBS). There is also a duty to refer information to the DBS where certain conditions are met, such as an individual harming a child or vulnerable adult.

## 2 Conditions of work for consultants

**Are there any minimum age requirements for an individual to work under a consultant/independent contractor agreement?**

No, although the local government body will often have rules around the work that children can carry out. Children should not be involved in activities that may be harmful to their health, well-being or education. It should be noted that insurance restrictions often place limits on the minimum age of individuals covered and/or the activities they may undertake.

**Does a consultant/independent contractor need to obtain a license or any other permission in order to work?**

No, although the consultant/independent contractor will need to register with HMRC for tax purposes and if employing staff.

### Payment

**Are there any minimum pay requirements for consultants/independent contractors?**





No, assuming that the consultant/independent contractor is not deemed to be an employee or worker, they will not be entitled to receive the National Minimum Wage.

**Are there any exceptions in minimum wages for young persons or people with disabilities?**

There are five different rates of the National Minimum Wage for different age-related categories of worker/employee, but if the individual is a consultant/independent contractor, they will not be entitled to receive the National Minimum Wage regardless of their age/any disability.

**Is there any requirement to provide statutory/paid leave to consultants for statutory holidays?**

No, assuming that the consultant/independent contractor is not deemed to be an employee or worker, they will not be entitled to receive statutory/paid leave.

**Is there any requirement to pay annual leave to consultant/independent contractors? If so, how is this compensated, if at all?**

No, assuming that the consultant/independent contractor is not deemed to be an employee or worker, they will not be entitled to receive paid annual leave.

**Is there an obligation to provide consultant/independent contractors with overtime? How is this compensated if required?**

There is no legal right to overtime, unless provided for under the terms of the contract.

**Are consultants entitled to an end-of-year payment?**

There is no legal right to an end-of-year payment, unless provided for under the terms of the contract.

**Are consultants entitled to a final payment when the contract is terminated?**

There is no legal right to a final payment on termination, unless provided for under the terms of the contract.

**Working hours**

**Are consultants entitled to any type of leave, whether paid or unpaid?**

There is no legal right to any type of leave, unless provided for under the terms of the contract.

**Social security**

**Does the end user engager need to make any social security contributions on behalf of a consultant/independent contractor? Are independent contractors entitled to health insurance from the end user engager?**

There is no legal right to health insurance from the end user engager, unless provided for under the terms of the contract.

**Are independent contractors/consultants entitled to unemployment insurance/benefits after termination of their independent contractor/consultancy agreement from the end user engager?**





There is no legal right to unemployment insurance/benefits from the end user engager, unless provided for under the terms of the contract.

**Are independent contractors/consultants entitled to sick leave from the end user engager? If yes, for how long? How many days have to be paid?**

There is no legal right to sick leave from the end user engager, unless provided for under the terms of the contract.

**Are independent contractors/consultants entitled to maternity leave from the end user engager? If yes, for how long? How many days/months have to be paid?**

There is no legal right to maternity leave from the end user engager, unless provided for under the terms of the contract.

**Are independent contractors/consultants entitled to paternity leave from the end user engager? If yes, for how long? How many days/months should be paid?**

There is no legal right to paternity leave from the end user engager, unless provided for under the terms of the contract.

**Are employers obliged to cover work-place injuries for independent contractors/consultants?**

There is no legal right to sick leave/pay from the end user engager, unless provided for under the terms of the contract. Public Liability insurance is mandatory in the UK and may help pay compensation if an independent contractor/consultant is injured or becomes ill because of the work they do for the end user engager.

**Are independent contractors/consultants entitled to retirement benefits from the end user? If yes, what benefits?**

There is no legal right to retirement benefits from the end user engager, unless provided for under the terms of the contract.

### 3 Safe and supportive work environment

**Are there any differences in terms of the regime that applies to employees?**

Employers are responsible for ensuring the health and safety of their employees and those that are affected by their activities (which would include independent contractors/consultants) so far as reasonably practicable. To this extent, the obligation is the same as that which applies in relation to employees. The range of legal obligations placed on employers with respect to health and safety is extensive, with the particular obligations which apply in any given case depending on the activities carried out by the company, and the extent of the risks posed by these activities.

Employers must assess and review the work-related risks faced by its employees and by others affected by the company's activities. This risk assessment must be "sufficient and suitable".

### 4 Remote work

**Are end user engagers required to have a registered legal entity in the jurisdiction in order to hire independent contractors/consultants there?**

No.





## 5 What to do when things go wrong

### Resignation

#### **Do consultants/independent contractors need a reason to terminate the contract or can they terminate it for any reason in accordance with the terms of the contract?**

There are no legally specified grounds for resignation, although the reasons for termination (and the impact of that reason on other terms such as notice and severance payments or benefits) will often be set out in the contract.

### Termination of agreement

#### **What grounds do end user engagers have for the termination of consultant agreements?**

There are no legally specified grounds for the termination of consultant agreements. Termination grounds will depend on the terms of the contract.

#### **What is the responsibility of the end user engagers for damages incurred by a consultant's actions within his/her work?**

End user engagers can, in some circumstances, be held responsible for the acts of independent contractors/consultants in the execution of the work for which they are engaged, including the harassment of the end user's employees by an independent contractor/consultant.





## c. Volunteers

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#### *Definition of a volunteer*

There is no legal definition of a volunteer under UK employment law. The legal status of volunteers will depend on the nature of the relationship in practice, and will not be determined solely based on the terms of any written document or contract. Generally, volunteers will not usually be considered to be employees, as a genuinely voluntary arrangement will lack the necessary mutuality of obligation between the volunteer and the organization they are volunteering for, and there will often be no (verbal or written) contract between the volunteer and the organization. The information in the remainder of this section assumes a genuinely voluntary arrangement, with the volunteer not being an employee or worker.

### 1 Contracts

#### **Are organizations required to sign any form of agreement with volunteers?**

There is no legal requirement to enter into a written agreement with volunteers, although from a practical perspective confirming the arrangement in writing, often in the form of a volunteer agreement and/or policy, is advisable to clarify expectations.

### 2 Conditions of employment

#### **Is there a minimum age requirement for volunteers?**

Individuals cannot work for a profit-making organization if they are under 14 years old, even if they are volunteers and not being paid.

There is no minimum age requirement for volunteering for non-profit organizations, but it should be noted that insurance restrictions often place limits on the minimum age of volunteers and/or the activities they may undertake.

#### **What type of volunteering work may a child undertake? Are there any restrictions around this?**

The local government body will often have rules around the work that children can carry out, including volunteering activities. Children should not be involved in volunteering activities that may be harmful to their health, well-being or education. It should be noted that insurance restrictions often place limits on the minimum age of volunteers and/or the activities they may undertake.

#### **Payments and reimbursement**





### **Are organizations allowed to pay stipends to volunteers?**

Yes, there is no legal restriction on the payment of stipends to volunteers. It should be noted however that any payments that go beyond out-of-pocket expenses could risk the arrangement being deemed to be a worker or employee relationship, with consequent entitlement to certain employment rights, including the payment of the national minimum wage for all hours worked.

### **Are organizations allowed to reimburse volunteers? If yes, for what expenses (such as transportation, food, etc.).**

Yes, there is no legal restriction on the payment of reimbursement of reasonable expenses arising from the volunteering activities or benefits in kind in the form of subsistence to volunteers. This would include, for example, volunteers being placed by a charity or similar body with another charity or similar body and the volunteer receiving reasonable expenses for subsistence or living expenses.

It should be noted however that any payments that go beyond reasonable expenses actually incurred arising from the volunteering activities could risk the arrangement being deemed to be a worker or employee relationship, with consequent entitlement to certain employment rights, including the payment of the national minimum wage for all hours worked.

### **Working hours**

#### **Are there any obligations around how many hours volunteers can work?**

No, working time limits do not apply to volunteers.

#### **Are volunteers entitled to any type of leave?**

No.

### **Social security**

#### **Are organizations obliged to pay any social security contributions on behalf of their volunteers?**

Payment that is more than out-of-pocket expenses will be treated as taxable income, so income tax and national insurance regulations will apply.

#### **Are organizations obliged to provide health insurance to volunteers?**

No.

#### **Are organizations liable for absences of volunteers due to work-place injuries?**

The volunteer has no legal right to sick leave/pay. Insurance taken out by the organization to include volunteers may help to pay compensation if a volunteer is injured or becomes ill because of the volunteering activities.

## **3 Safe and supportive work environment**

### **Are there any differences in terms of the regime that applies to employees?**

Health and safety must be considered for volunteers as well as for employees. Organizations without any paid staff are not required to do risk assessments, however volunteers must still be protected from risks. This means that reasonable steps should be taken to reduce the likelihood and potential seriousness of injury to volunteers. Organizations should provide the same level of





protection to volunteers where they carry out similar activities and are exposed to the same level of risk as employees. Best practice would therefore be to carry out risk assessments to identify risks and put appropriate measures in place.

## 4 Tax

**Are organizations obliged to pay taxes if they pay their volunteers stipends? If yes, what types of taxes are mandatory to pay?**

Yes, any payment that is more than out-of-pocket expenses will be treated as taxable income, so income tax and national insurance regulations will apply.

## 5 What to do when things go wrong

**What grounds do organizations have for the termination of volunteer agreements/arrangements?**

There are no legally specified grounds for the termination of volunteer arrangements.

**What is the responsibility of organizations for damages incurred by a volunteer's actions within his/her work?**

There is a risk that an organization could be held vicariously liable for the actions of its volunteers. The volunteer must be acting within the course of their duties to the organization for the organization to be found vicariously liable. Further, there must be a substantial connection between the creation of the risk by the organization and the tort (e.g. negligence) committed by the volunteer.

It should also be noted that an organization can potentially be liable for the harassment of its employees by a volunteer.







## d. Non-citizen employees and consultants, including refugees and others forcibly displaced

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### 1 Status and the right to work

#### **Are employers obliged to secure legal status for their employees or consultants if they are non-citizens? (such as refugee status, humanitarian visas, visas for trafficking survivors, other recognized protection statuses, etc.)**

No, although employers are obliged to ensure that their employees have the right to work in the UK. A civil penalty can be imposed on employers employing someone who they knew or had reasonable cause to believe did not have the right to work in the UK. There is no civil penalty risk in respect of any individuals other than employees, but due to the potential reputational risk, many organizations nonetheless carry out right to work checks on independent contractors and volunteers.

#### **Are employers obliged to secure work permits for their employees or consultants?**

No, although employers are obliged to ensure that their employees have the right to work in the UK. A civil penalty can be imposed on employers employing someone who they knew or had reasonable cause to believe did not have the right to work in the UK. There is no civil penalty risk in respect of any individuals other than employees, but due to the potential reputational risk, many organizations nonetheless carry out right to work checks on independent contractors and volunteers.

#### **Is it always necessary to obtain a work permit?**

Generally, non-settled workers in the UK will only be able to work in the UK if they have been granted an appropriate UK work visa or work permit to do the type of work that they are planning to undertake. There are some visas which will permit work in the UK, although often they have conditions attached.

#### **Can asylum-seekers and other persons forcibly displaced access the right to work if they do not have refugee status or other recognized protection statuses?**

Those who claim asylum in the UK are not normally allowed to work whilst their claim is being considered, but may be involved in volunteering activities.





## 2 Contracts

**Are employment contracts or consultant agreements for non-citizens different to those for citizens?**

No.

## 3 Conditions of employment

**Does national law regulate the quotas for the number of non-citizens within one organization?**

No.

**Are employers obliged to report about employed non-citizens?**

No.

**Are there any other differences in conditions of employment for non-citizens and citizens?**

No.

**Are there any specific employment terms that apply to citizens but not apply to non-citizens?**

No.

## 4 Safe and supportive work environment

**Are there any differences in a safe and supportive work environment approach for non-citizens? If yes, please elaborate here.**

No.

**Does the employer have additional obligations for non-citizens?**

No.

## 5 What to do when things go wrong?

**Is the process of termination of an employment contract for non-citizens different than for citizens? If yes, please explain here.**

No, although if the individual is on a Tier 2 or Skilled Worker Visa, the employer must report the termination of employment to the Home Office within 10 working days of the termination date.

**Is the process of resignation for non-citizens different than for citizens? If yes, please explain here.**

No, although if the individual is on a Tier 2 or Skilled Worker Visa, the employer must report the resignation to the Home Office within 10 working days of the termination date.

**Are non-citizens entitled to the equal protection of employment laws in the event of employment-related disputes?**





Potentially, yes. The applicable law will depend on a number of factors. Any choice of governing law expressed in the contract of employment will often be the starting point for determining the applicable law, although some laws (typically including statutory employment rights) may be mandatory, regardless of what the contract states.





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