

What's new in 2024

EMPLOYMENT, GENERAL BUSINESS, TAX AND VAT



New employment legislation

Summary of new employment legislation

Date of implementation and jurisdiction

Clarification of some working time record-keeping duties:

To clarify that employers are not required to record the number of working hours each day for each worker but must still keep "adequate records" to prove compliance with statutory minimum rest breaks.

The Employment Rights (Amendment, Revocation and Transitional Provision) Regulations 2023 No. 1426

1 January 2024
England, Scotland and Wales

UK legislation brings into UK law the following pre-existing employment rights which result from European caselaw:

1. Workers can carry forward all statutory holiday to the next leave year where it could not be taken as a result of statutory leave (maternity, and other specific family-related leave).

2. Workers can carry forward any of the four weeks' basic statutory holiday that could not be taken as a result of sick leave, provided it is taken within 18 months of the end of the original leave year.

3. Workers can carry forward any of the four weeks' basic statutory holiday if the employer has not recognised the worker's right to holiday, has not given the worker a reasonable opportunity to take the holiday, did not encourage them to take it, or has not informed the worker that any holiday not taken by the end of the leave year which cannot be carried forward would be lost. In these situations, holiday can be carried forward up to the end of the first leave year in which none of the above apply.

1 January 2024
England, Scotland, Northern Ireland and Wales

New employment legislation

4. A week's pay for the four weeks' basic holiday pay entitlement must include payments 'intrinsically linked' to the performance of tasks the worker is obliged to carry out, payments for professional or personal status and other payments which have been regularly paid in the 52 weeks preceding the calculation date in Great Britain and 12 weeks preceding the calculation date in Northern Ireland.

These provisions are set out in The Employment Rights (Amendment, Revocation and Transitional Provision) Regulations 2023 for England, Scotland and Wales and in The Working Time (Amendment) Regulations (Northern Ireland) 2023 for Northern Ireland.

Holiday entitlement for irregular hours workers and part-year workers will be calculated at 12.07% of hours worked in a pay period.

The Employment Rights (Amendment, Revocation and Transitional Provision) Regulations 2023 No. 1426

For holiday years from 1 April 2024
England, Scotland and Wales

Rolled-up holiday pay allowed for irregular hours workers and part-year workers to be made lawful.

Rolling-up holiday pay involves paying an additional amount representing holiday pay for each pay period, instead of paying holiday pay at the time annual leave is taken.

The Employment Rights (Amendment, Revocation and Transitional Provision) Regulations 2023 No. 1426

For holiday years from 1 April 2024
England, Scotland and Wales

National Minimum Wage rate increase

The national living wage extends to 21-year-olds and all NMW rates increase from 1 April 2024 as follows:

The rate for workers aged 21 or over (the national living wage) increases to £11.44 per hour (previously £10.42 for workers aged 23 or over).

The rate for workers aged at least 18 but under 21 increases to £8.60 per hour (from £7.49).

The rate for workers aged 16 to 17 increases to £6.40 (from £5.28).

The apprentice rate increases to £6.40 (from £5.28).

1 April 2024
The whole of the UK

Leave for carers

One week of unpaid leave per year for employees who are providing or arranging care for a dependant with a long-term care need.

A person is a dependant of an employee if they:

- Are a spouse, civil partner, child or parent of the employee
- Live in the same household as the employee, otherwise than by reason of being the employee's boarder, employee, lodger or tenant, or
- Reasonable rely on the employee to provide or arrange care A 'long-term care need' is defined as:
 - Illness or injury (physical or mental) that requires, or is likely to require, care for more than three months
 - A disability for the purposes of the Equality Act 2010
 - Requiring care for a reason connected with old age

(The Carer's Leave Act 2023)

(The Carer's Leave Regulations 2024)

6 April 2024
England, Scotland and
Wales

Changes to statutory flexible working request rules.

This includes allowing employees to make two requests in a 12-month period and reducing the time within which the employer must notify the employee of its decision to two months. The Government has also confirmed its intention to introduce legislation to take forward measures including making the statutory right to request flexible working a day one right.

Employment Relations (Flexible Working) Act 2023

Expected April 2024

England, Scotland and Wales

A day one right

Additionally, the right to request to work flexibly will become a day one right (instead of a right only available to employees who have 26 weeks' employment). This new right will come into effect for flexible working requests made on or after 6 April 2024.

Flexible Working (Amendment) Regulations 2023

6 April 2024

England, Scotland and Wales



Protection from Redundancy: Pregnancy and Family leave

Currently, parents on maternity leave, adoption leave or shared parental leave should be offered first refusal of any suitable alternative employment which may be available where they are put at risk of redundancy. From 6 April 2024, this protection from redundancy is extended as follows:

- **For maternity** – the protected period will cover pregnancy up to 18 months from the first day of the estimated week of childbirth. The protected period can be changed to cover 18 months from the exact date of birth, if the employee gives the employer notice of this date prior to the end of maternity leave.
- **For adoption** – the protected period will cover 18 months from placement for adoption.
- **For shared parental leave** – the protected period will cover 18 months from birth, provided that the parent has taken a period of at least 6 consecutive weeks of shared parental leave. This protection will not apply if the employee is otherwise protected under 1. or 2. above.

6 April 2024
England, Scotland and
Wales

Duty on employers to give all tips to workers without deductions and to ensure tips are distributed fairly.

Employment (Allocation of Tips) Act 2023

Expected 1 July 2024
England, Scotland and
Wales

Employers will be able to consult directly with employees on TUPE transfers if they don't already have employee representatives in place:

if the organisation has fewer than 50 employees (i.e. small businesses); or
for organisations of any size, if fewer than 10 employees are to transfer.

The Employment Rights (Amendment, Revocation and Transitional Provision) Regulations 2023 No. 1426

For transfers on or after 1 July 2024
England, Scotland and Wales

Right to request more predictable terms and conditions of work (for those on temporary (fixed-term) contracts of one year or less and zero hour/casual hour workers).

Workers (Predictable Terms and Conditions) Act 2023

Expected September 2024
England, Scotland and Wales

Duty to prevent sexual harassment of employees

This provides for a new positive (proactive) legal duty on employers to take reasonable steps to prevent sexual harassment of their employees occurring in the course of their employment.

Worker Protection (Amendment of Equality Act 2010) Act 2023

October 2024
England, Scotland and Wales

Neonatal care leave and pay

This entitles eligible parents who are employees to take up to 12 weeks' neonatal care leave if their baby requires neonatal care. They will also be entitled to neonatal care pay if they meet further eligibility requirements.

Neonatal Care (Leave and Pay) Act

Expected April 2025
England, Scotland and Wales

The Digital Markets, Competition and Consumer Bill

The Digital Markets, Competition and Consumer Bill (the Bill) is likely to become law **at some point in 2024**, but as it is currently passing through parliament we do not know exactly when or in what form it will emerge. As currently drafted, and subject to parliamentary alterations, once it becomes law the Bill will:

1. Deal with subscription contracts between Businesses and Consumers. These essentially fall into 2 categories:

Standard subscription contracts. With these the terms provide for an automatically recurring, or continuing, supply for an indefinite period or a fixed period, with the consumer to automatically incur liability for each supply or recurring liabilities for the continuing supply.

Contracts with an initial free or cheaper period. With these the consumer is initially supplied either free of charge (a free trial), or at a rate specified in the contract (the "original rate"), for a period specified in the contract. Thereafter the consumer becomes automatically liable for payments at a rate higher than the original rate, for supplies after that period.

With regard to subscription contracts the Bill will:

- **Require the provision of pre-contract information.**
- **Require the sending of renewal reminders.**
- **Require easy mechanisms for termination.**
- **Give consumers rights to cancel if traders don't comply.**
- **Give consumers cooling off rights.**

Consumers will have a right to cancel subscription contracts within 14 days of their being entered into. They also have a right to cancel for 14 days after the expiry an introductory free or discounted period and any renewal which commits the consumer to a further period of 12 months or more. Traders must send "cooling off notices" at the beginning of each cooling off period.

- **Require confirmation of cancellation or termination.**

With both types of subscription contracts the right to bring the contract to an end must be exercisable by the consumer without incurring a more than nominal penalty and can be expressed as a right to stop a subscription contract from automatically renewing or continuing or any other similar expression.



2. Introduce a new targeted and proportionate regulatory regime to address concerns around competition in the digital industry, by allowing the Competition and Markets Authority (CMA) to intervene quickly and flexibly. The CMA will be able to decide for itself whether consumer law has been infringed, without the need to go to court. The type of conduct which could be penalised includes:

- Deliberately **misleading consumers** about products or services.
- Reliance on **unfair terms**.

Firms may also be subject to fines that could reach tens of billions of pounds. To ensure these large fines are balanced by rigorous checks and balances, firms will now be able to challenge these decisions “on their merits”. These changes allow firms to challenge fines on the substance of the decision, as well as the process followed to reach that decision.

3. Contain powers allowing the Government to expand the list of banned practices which are regarded as automatically unfair, and would allow it to ban activities such as paying for fake reviews.

4. Revoke and replace the Consumer Protection from Unfair Trading Regulations 2008 (CPRs) which currently, along with the Consumer Rights Act 2015, contain the law on unfair commercial practices. In reality this is unlikely to involve any major changes to the law in this area.



The Economic Crime and Corporate Transparency Act 2023

The Economic Crime and Corporate Transparency Act 2023 (the Act) has already become law. Various sections came in to force during 2023, but other aspects will come into force in stages. The objects of the Act are as follows:

1. To ensure that anyone who is required to deliver a document to the Registrar does so (and that the requirements for proper delivery are complied with).
2. To ensure information contained in the register is accurate and that the register contains everything it ought to contain.
3. To ensure that records kept by the Registrar do not create a false or misleading impression to members of the public.
4. To prevent companies and others from carrying out unlawful activities, or facilitating others to carry out unlawful activities.

Under the Act Companies House (CH) can now play a much greater role in disrupting economic crime and preventing abuse of the register of companies. The Act gives CH new and enhanced powers to improve the quality and reliability of its data. They will also be able to act more quickly if people tell them their personal information has been used on the register without their consent.

The Act contains provisions including:

- The introduction of identity verification for all new and existing registered company directors, people with significant control, and those who file on behalf of companies.
- Improving the financial information on the register so that the register is more reliable and accurately reflects the latest advancements in digital technology, and enables better business decisions.
- Providing CH with more effective investigation and enforcement powers, and increasing their ability to share relevant information with partners.
- Enhancing the protection of personal information to protect individuals from fraud and other harms

The following provisions of the Act will come into force on **15 January 2024**:

- Section 22 (company names: exceptions based on national security etc).
- Section 27 (use of names: exceptions based on national security etc).
- Section 67 (exemption from identity verification: national security grounds).
- Section 103 (false statement offences: national security etc defence).
- Section 147 (national security exemption from identity verification).
- Section 183 (money laundering: exemptions for mixed-property transactions).
- Section 187 (enhanced due diligence: designation of high-risk countries).



- Sections 188 to 193 (disclosures to prevent, detect or investigate economic crime etc).
- Section 211 (Serious Fraud Office: pre-investigation powers).
- Schedule 11 (economic crime offences).

Secondary legislation will need to be published and approved prior to many of the key changes included in the Act. However, CH has indicated that more provisions are to come into force in **"early 2024"** including:

- Powers for CH to:
 - Query information on the register.
 - Annotate the register to let users know about potential issues with information provided to Companies House.

- Ensure information on the register is accurate by using data matching to identify and remove inaccurate information.
- Share data with other government departments and law enforcement agencies.

- Requiring:
 - Checks on company names.
 - Companies to have an appropriate registered office address.
 - Companies to have a registered email address.
 - Members to confirm they are forming companies for a lawful purpose on incorporation and to re-confirm this each year in their annual confirmation statement.

CH will also be increasing some of their fees from early 2024.

Aspects of Extended Producer Responsibility (EPR)

The way UK organisations responsible for packaging must carry out their recycling responsibilities has changed. If you're affected by extended producer responsibility (EPR) for packaging, you will need to report your packaging data. EPR for packaging fees have been deferred for a year. You will not have to pay any EPR for packaging fees in **2024**. However, you must still follow the guidance and report your packaging data for 2023. You must also continue to pay any fees due under previous regulations. The full government guidance is available [here](#).

If EPR applies to your business, certain aspects commence during 2024.

if you're classed as a small organisation because:

- your annual turnover is between £1 million and £2 million and you're responsible for supplying or importing more than 25 tonnes of empty packaging or packaged goods in the UK.
- your annual turnover is over £1 million and you're responsible for supplying or importing between 25 tonnes and 50 tonnes of empty packaging or packaged goods in the UK.



To comply with the regulations, you must:

- Record data about the empty packaging and packaged goods you supply or import in the UK from either 1 January 2023 or 1 March 2023 - [find out what period you must report on](#).
- create an account for your organisation from **January 2024**.
- pay a fee to the environmental regulator from 2025.
- report data about empty packaging and packaged goods you supplied or imported.

The deadline for reporting depends on which nation your organisation is based in.

If you miss the deadline, you may need to pay a penalty charge.

In England, Scotland and Northern Ireland:

- small organisations should submit by **1 April 2024**.
- large organisations reporting for January to June 2023 should submit by **1 October 2023**.
- large organisations reporting for July to December 2023 should submit by **1 April 2024**.

These deadlines are laid out in the regulations. You should make your best effort to meet them but no enforcement action will be taken if data is submitted by **31 May 2024**.

If you are based in Wales

Large and small organisations based in Wales should submit by **1 April 2024**.

You may also need to report nation data. Nation data is information about which nation in the UK packaging is supplied in and which nation in the UK packaging is discarded in.

If your organisation must act under EPR for packaging, you must submit nation data if you also do any of the following:

- supply filled or empty packaging directly to customers in the UK, where they are the end user of the packaging.

- supply empty packaging to UK organisations that are either not legally obligated, or are classed as a small organisation.
- hire or loan out reusable packaging.
- own an online marketplace where organisations that are based outside the UK sell their empty packaging and packaged goods to UK consumers.
- import packaged goods into the UK for your own use and discard the packaging.

You will need to submit your nation data for the 2023 calendar year by **1 December 2024**.

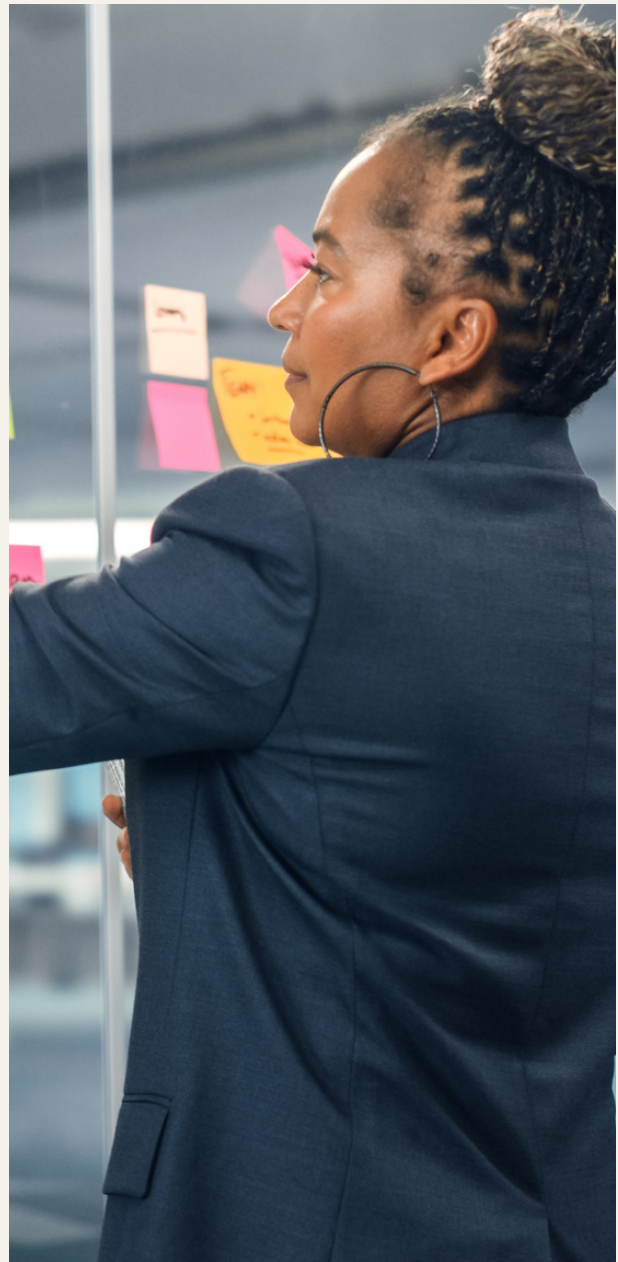


Changes to Data Protection Law

Data protection law in the UK is due to be tweaked in 2024 when the draft [The 2023 Data Protection \(Fundamental Rights and Freedoms\) \(Amendment\) Regulations](#) (the Draft Regulations) come into force. The Draft Regulations state that they will come into force immediately before the end of 2023, or on the day after the day on which they are made, whichever is later, and it is anticipated that if and when these are approved by parliament this is likely to be at the start 2024.

The Draft Regulations are a technical change as much as anything, linked to the Brexit vote and the subsequent Retained EU Law (Revocation and Reform) Act 2023 (REULA). When REULA comes into force, from 1 January 2024, the principle of supremacy of EU law (which meant that EU law was given priority over domestic law where they conflict) will come to an end. EU law rights and principles will no longer form part of retained EU law in the UK, and as such, any reference in the UK GDPR to retained EU law rights needs to be altered or removed as these rights will fall away.

The EU looks at the “adequacy” of non-member states data protection regimes and makes decisions about their compatibility with EU law. An adequacy decision is a formal decision made by the EU which recognises that another country, territory, sector or international organisation provides an equivalent level of protection for personal data as the EU does. The UK’s adequacy decision was granted in June 2021 for a period of four years, when it will be looked at again.



It is important for the UK data protection regime to continue to be considered adequate once that time has elapsed.

The fundamental rights of data subjects will ultimately not be significantly different, and both data controllers and processors are unlikely to have to make any changes to their existing processes, policies and procedures.

Key Tax dates for 2024

As a sole trader, you'll pay your income tax and [National Insurance liabilities](#) in two stages, known as [payments on account](#). These are payments in advance towards your tax bill.

- **31 January 2024** – balance of any tax for year 2022/23 is due
- **31 January 2024** - first payment on account of tax for year 2023/24 is due
- **31 July 2024** – second payment on account of tax for 2023/24 is due
- **31 January 2025** – balance of any tax for year 2023/24 is due
- **31 January 2025** - first payment on account of tax for year 2024/25 is due

Don't forget, you can [contact HMRC for Time to Pay or to set up a payment plan](#) if you're having difficulties. You have to pay interest if you pay late, so do this as soon as possible.

Self-Assessments

You must file your 2023-24 [Self-Assessment tax return](#) before:

- 31 October 2024 following the end of the tax year for a paper return
- 31 January 2025 following the end of the tax year for an online return

New to self-employment?

You must [notify HMRC of the potential chargeability to tax and National Insurance](#) Contributions by 5 October following the end of the tax year in which your business started. So, the deadline for the 2023-24 tax year is 5 October 2024

New partner?

If a new partner has joined you in the 2023/24 tax year, you should [notify HMRC by 5 October 2024](#).

Key dates for UK VAT

1 January 2024: Familiarisation period for the new [late payment penalties](#) ends. To avoid late payment penalties, businesses must pay or set up Time To Pay arrangements for VAT within 15 days of the payment due date (rather than the 30 days allowed in 2023).

1 February 2024: Although not legislated yet, it is expected that the **retro-fit of batteries** and diverters in to domestic energy saving systems (e.g. solar panels, wind turbines) and installation of water source heat pumps will qualify for the **zero-rate** until at least March 2027

30 April 2024: Deadline for selling any eligible GB-sourced motor vehicles that held in **Northern Ireland** pre-1 May 2023 under **second-hand margin scheme**. Any sold after this date cannot be sold under the margin scheme so full VAT will be due.

1 May 2024: VAT Fuel Scale Charge rates for cars updated for VAT return periods beginning on or after 1 May.



Routine deadlines will vary depending on your **VAT return period** and whether you do quarterly, monthly or annual returns.

For example, if your business is on calendar quarters March / June / September / December, due dates for VAT return periods would be:

- VAT returns and associated payments are made by 7 May / 7 Aug / 7 Oct / 7 Feb respectively
- Annual adjustments (if a partly exempt trader) are made on either the Mar or Jun returns (so 7 May or 7 Aug)

Customs duty and customs reporting

There will also be a number of changes coming in for customs duty and customs reporting purposes for movements of goods from Mainland UK to Northern Ireland. [The Windsor Framework – further detail and publications](#) gives more information about these changes.

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