

Employment Law Changes

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Provisions in the Small Business, Enterprise and Employment Act 2015 (SBEEA 2015) (passed by the Coalition Government) that make exclusivity clauses in zero-hours contracts unenforceable came into force on 26 May 2015. Also in force from that date is the increase in the maximum financial penalty for underpayment of the National Minimum Wage to £20,000 for *each* underpaid worker.

A new section 27A of the Employment Rights Act 1996 (ERA 1996) provides that any provision of a zero-hours contract which prohibits the worker from doing work or performing services under another contract or under any other arrangement, or prohibits him or her from doing so without the employer's consent, is unenforceable against the worker.

A new section 27B ERA 1996 creates a power for the government to make further provision to prevent zero-hours workers being restricted in their ability to work for other employers.

When the Coalition Government published its response to the consultation on the exclusivity ban in March 2015 it promised that it would introduce secondary legislation to create a new protection from detriment for zero-hours contract workers who take jobs under other contracts. However, no such legislation has yet been brought into force.

It is important to stress that in spite of all the hype and media attention that they attract, zero-hours contracts are still legal.

The remaining employment provisions of the SBEEA 2015 are not yet in force and do not have a commencement date.
