

LEGAL BULLETIN



PRINCIPLE LAW LTD
Solicitors & Higher Courts Advocates (Civil)

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Welcome to another Issue of Principle Law Legal Bulletin

EMPLOYMENT

The national minimum wage applies to nearly all workers and sets hourly rates below which pay must not be allowed to fall.

Change to National Minimum Wage Rates

From **1 October 2008** the rates of the national minimum wage will increase as follows:

- **16-17** year olds - from £3.40 to **£3.53**
- **18-21** year olds – from £4.60 to **£4.77**
- **22** years and over – from £5.52 to **£5.73**

Holiday Entitlement

Under the Working Time Regulations 2007 as from **1 October 2007** the statutory minimum holiday entitlement remains at **24 days per year**, which equates to **4.8 weeks**.

A second increase from 24 to **28 days** which equates to **5.6 weeks** is set to take place from **1 April 2009**. Originally the second increase was due to take effect from October 2008, this has been extended to April 2009.

Flexible Working for Parents

The government has launched a consultation to extend and overhaul the right to request flexible working. The consultation will cover:

- extending the right to request contract variations to parents with children under 16 (currently parents of children under 6)
- methods of raising awareness of the right to request flexible working amongst the workforce; and
- methods of making it easier for employers to deal with requests.

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DEBT RECOVERY

In today's competitive business environment, Cash Flow is one of the most vital aspects of profitability for any business, large or small. The punctual collection of outstanding debts is of most important, if you are experiencing difficulty in this area we are well placed to assist you.

There are various ways of getting your customers to pay on time. However, despite your best efforts, you may find that some still end up paying late or not paying at all.

One of the first steps you should take is, you should get in contact with them to resolve the issue and review your procedures to avoid the possibility of late payments in the future.

Note that you have rights, at your discretion, to charge:

- interest on the amount due and
- costs of recovery

Taking court action to collect debts

Taking legal action should of course be a **last resort**. You should, consider all other alternatives before commencing court proceedings. If court action still seems the best solution, you should carefully consider whether making a claim is **cost-effective**. It might be cheaper to write-off small sums. If you have a major customer who is likely to place large

orders in future, you may decide that it may be better to let things lie if only a relatively minor amount is in dispute.

If having considered all other alternatives, you decide that a court action still seems the best option, make sure that you have resolved any disputes over the goods or services you have provided. If you don't do this, the debt will become difficult to recover and any legal action could become protracted and more expensive. You should also make sure that customers have the **means to pay the debt and costs**. If they are likely to become bankrupt or go in to liquidation, your debt will probably be irrecoverable and you could end up wasting substantial costs in trying to recover it.

We will be happy to discuss your debt recovery procedure and any particular case with you and advise you on the best way forward.

IMMIGRATION UPDATE FOR EMPLOYERS

If you are an employer and wish to employ a foreign worker you should first check the immigration rules. If you need a professional advice we will be happy to assist you.

Here are some of the main to note:

- A new points based system is being introduced in the United Kingdom during 2008 (different provisions will come in force stage by stage) on assessing the individuals from the non-EU countries wishing to come to or remain in the United Kingdom to work, train or study.
- Amongst other requirements, Employers wishing to employ third-country nationals will be required to sponsor the prospective employee. When applying for sponsorship, an employer must indicate that they have satisfied various conditions.
- The Government is setting out new measures to prevent illegal working. Under a new system of civil penalties, employers who negligently employ illegal workers could face a fine of up to £10,000 for each illegal worker found at a business. If employers are found to have knowingly employed illegal workers they could incur an unlimited fine and be sent to prison.

This bulletin does not provide a comprehensive or complete statement of the law relating to the issues discussed nor does it constitute legal advice. It is intended only to highlight general issues. Specialist legal advice should always be sought in relation to particular circumstances.

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