



# PRINCIPLE LAW

Solicitors & Higher Courts Advocates (civil)

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## Welcome Note

Welcome to the first issue of our Legal Bulletin. Principle Law Solicitors is a specialist law firm providing legal advice to its business and private clients. We aim to ensure that our clients are kept up to date with the legal issues that might affect them on a day to day basis, by providing regular updates on some important legal issues.

**Principle Law Ltd**  
122 Clifton Street  
Cardiff  
CF24 1LW

Tel: 02920 470800  
Fax: 02920796030  
Mobile: 07960838134

Email: [Admin@rinciplelaw.co.uk](mailto:Admin@rinciplelaw.co.uk)  
Web: [www.principlelaw.co.uk](http://www.principlelaw.co.uk)

## Employment Law

### Age Discrimination and Retirement

A significant change to the employment law was introduced by the Age Discrimination Regulations in 2006. The Age Regulations address a number of issues concerning the prevention of age discrimination in the workplace.

The Regulations introduce a standard default retirement age of 65, which will be reviewed in 2011. In other words this means that an employer can set the organisation's retirement age at 65 or above, and the setting of a lower retirement age will need to be objectively justified.

Consequently, the statutory disciplinary and dismissal procedures no longer apply to dismissals for retirement from 1 April 2007. Instead, the Regulations introduce special procedure requiring an employer to follow when considering dismissal of an employee at or after the age of 65 for reason of retirement. If not followed, the dismissal by way of retirement will be automatically unfair.

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### Increase in Holiday Entitlement

The Department for Trade and Industry (DTI) has announced an increase in the minimum statutory holiday entitlement from 20 days to 28 days per year, pro-rata for part-time employees. The increase will bring the UK's annual leave entitlement closer to that in other European countries. Workers in Ireland are entitled to 29 days per year, while in Austria; the minimum entitlement is 38 days. The changes are being brought into effect in two stages. On 1 October 2007, annual leave entitlement will increase to 24 days, and this will increase further to 28 days on 1 October 2008.

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### Paid Maternity Leave Extended

Work and Families Act 2006 introduces new changes to Maternity and Paternity Leave. All employees expecting babies or due to adopt on or after 1 April 2007 will benefit from the new legislation.

From 1<sup>st</sup> April 2007 all female employees, regardless of the length of service will qualify for the Additional Maternity Leave. Statutory Maternity Pay will also increase from 26 weeks to 39 weeks (9 months).

Under the new provisions the notice a female employee must give if she is changing her date of return from maternity leave has been increased from 28 days to 8 weeks.

There are also introduced optional 10 "keeping in touch" days, enabling a woman to come to work for up to 10 days under her contract of employment, as long as both she and her employer have agreed for this to happen, and agree on what work is to be done and how much she will be paid for it.

Fathers will be entitled to both Additional Paternity Leave and Statutory Pay providing that the mother returns to work before the end of her Additional Maternity Leave

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### **New Compensation Limits**

From 1 February 2007 new limits for various claims in Employment matters will apply:

- - A week's pay currently £290 increased to £310.
- - Maximum compensatory award for Unfair Dismissal currently £58,400 increased to £60,600.
- - Unfair Dismissal Additional Award (failure to comply with reinstatement or re-engagement order currently £15,080 increased to 164,200.

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### **Smoking Ban**

From 2nd April 2007 it is prohibited in Wales to smoke in enclosed public place. This includes workplaces as well. The same prohibition will be introduced in England from the summer of 2007.

### **Flexible Time for Carers**

From 6 April 2007 carers of adults will be entitled to apply for flexible working in addition to parents of young or disabled children.

New definition of carer will cover any employee who is or expects to be caring for an adult who:

- - Is married to or is the partner of the employee.
- - Is "near relative" of the employee.
- - Falls in neither category but, lives at the same address as the employee.

## **Company Law**

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### **Company Name**

Choosing the name of your company is a key decision. However it is important to remember when choosing a name for your company that although you have freedom of choice there are certain considerations, which you must bear in mind. There are restrictions imposed by the legislation.

The name that you choose must be registered with Companies House. Furthermore, the contents of the name must comply with various requirements.

It is important to check that the name that you wish to use is not registered already at Companies House and is not being used as the trading or business name of any other company. Otherwise, you could be found liable in misleading people that you are connected to another business.

The name cannot be offensive, give impression that it is connected to the Government or a Local Authority, and contain certain words unless approved by the Secretary of State.

When setting up a limited company the name must end with either the word 'Ltd.' or the Welsh equivalent.

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### **Companies Act 2006**

The Companies Act 2006 is expected to come into force in full by October 2008. The Act simplifies and introduces new changes in company law, aiming to simplify current legislation. Substantial changes are made to the directors' duties and every director should be aware of the forthcoming provisions. We shall explain these provisions in more details in our future issues.

This briefing 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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