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Defeat for women in pension age battle

It's disappointing, but campaigners have lost a significant legal battle against the government's handling of the rise in women's state pension age.

The retirement age for women rose from 60 to 65, in line with men, and will go up to 66 by 2020, and to 67 by 2028.

Women born in the 1950s claim the rise is unfair because they were not given enough time to make adjustments to cope with years without a state pension.

They argued the changes were discriminatory, but judges disagreed.

In a summary of the High Court's decision, the judges said: "There was no direct discrimination on grounds of sex, because this legislation does not treat women less favourably than men in law. Rather it equalises a historic asymmetry between men and women and thereby corrects historic direct discrimination against men."

The court also rejected the claimants' argument that the policy was discriminatory based on age, adding that even if it was "it could be justified on the facts".

To chants of "the fight goes on" from supporters, Joanne Welch, who led the campaign, said outside court: "Where do we go from here? Well, where will the government go from here is the better question."

She referred to prime minister Boris Johnson's pledge during the Tory leadership campaign to look at the state pension age issue with "fresh vigour", adding: "We will be holding you to that undertaking."

She said she was "rather puzzled" by the court's ruling, but added: "We can take this, we've got broad shoulders."

A spokesperson for the Department for Work and Pensions said: "We welcome the High Court's judgment. It has always been our view that the changes we made to women's state pension age were entirely lawful and did not discriminate on any grounds."

Delivering the court's decision, Lord Justice Irwin and Mrs Justice Whipple said: "The court was saddened by the stories contained in the claimants' evidence.

"But the court's role was limited. There was no basis for concluding that the policy choices reflected in the legislation were not open to government. In any event they were approved by Parliament.

LABOUR RESEARCH DEPARTMENT

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"The wider issues raised by the claimants about whether the choices were right or wrong or good or bad were not for the court. They were for members of the public and their elected representatives."

The judges also said there was nothing written into the law that ordered specific notification about the pension age changes.

<https://www.bbc.co.uk/news/business-49917315>

Johnson's tax cuts for rich – a bit rich

Prime minister Boris Johnson's promise of tax cuts have been analysed by the respected Institute for Fiscal Studies (IFS).

The IFS said that given the uncertain state of the economy and public spending promises which will raise the deficit, promising tax cuts in the short run looks risky. Any new tax cuts should be designed to improve the design and efficiency of the tax system, promote growth or achieve some clear distributional objective. It is hard to see how the prime minister's plans to raise the higher-rate threshold in income tax from £50,000 to £80,000 and to raise the point at which people start paying National Insurance contributions (by an as-yet unspecified amount) meet those criteria.

New analysis by IFS researchers shows that an £80,000 higher-rate income tax threshold would cost £8 billion a year (in today's prices) even if it were not fully in place until 2024.

The IFS said that raising the threshold to £80,000 in the next fiscal year would benefit the highest 8% of income adults and 13% of income taxpayers. Around 15% of adults live in a household where someone would gain immediately, and at least a quarter are likely to do so at some point in their lives.

The policy would take 2.5 million people out of paying higher-rate tax, more than reversing the increase over the past three decades and taking the number of higher-(or additional-) rate taxpayers down to 1.3 million, or less than 3% of adults – the lowest level since the individual income tax system began in 1990.

Three-quarters (75%) of gains would go to the highest-income 10% of households. This group have seen their net incomes fall by around 6% as a result of tax and benefit changes since 2009.

If the government wants to spend this sort of money on reducing taxes for those on high incomes, the IFS said it should consider removing the implicit 60% tax band on those with an income of between £100,000 and £125,000 (due to the withdrawal of the personal allowance). Introducing a higher rate of 45%, rather than 40%, at £80,000 (£75,000) would recoup most (all) of the additional cost and return to a simpler two-band (20% and 45%) income tax schedule.

Xiaowei Xu, a research economist at IFS and an author of the research said: "Given promised spending increases and growing demographic pressures, taxes are likely to have to rise over the next decade. Promising £10 billion to £20 billion of tax cuts is therefore a major commitment. If you are going to spend that much cutting taxes for those on high incomes or supporting low earners, you could find much better ways of doing so than the policies proposed by the prime minister."

www.ifs.org.uk/publications/14388

Javid's jam tomorrow on living wage

Chancellor Sajid Javid announced at the Conservative Party conference that he would increase the National Living Wage to £10.50 an hour. He also said he would expand the reach of the mandatory minimum wage to cover all workers over the age of 21, down from the present 25.

However, it will take until 2024 to achieve the £10.50 rate, so don't hold your breath. Given that the present rate is £8.21 an hour, it would require an increase of 27.9% over five years to achieve the new rate. For those already aged over 25.

A previous Tory chancellor made similar claims. In his first Budget after the 2015 general election win, chancellor George Osborne told parliament of the introduction of the National Living Wage and that "we've set it to reach £9 an hour by 2020".

Well, that's unlikely to be achieved unless the Low Pay Commission, which makes recommendation on the National Living Wage, suggests a 9.6% rise on the present £8.21 an hour. Or Javid overrules its recommendation by giving the 9.6% rise next April.

And then of course there is Brexit. TUC general secretary Frances O'Grady said: "The chancellor's pre-election promise should be taken with a huge bucket of salt. This pledge would be overwhelmed by a no-deal Brexit. If we leave the EU without a

deal, jobs will be lost, wages will fall, and our public services will suffer."

www.bbc.co.uk/news/uk-politics-49881980

<https://www.gov.uk/government/speeches/chancellor-george-osbornes-budget-2015-speech>

Many workers denied their rights by bosses

The scale of labour market violations by employers across the UK is highlighted in a new analysis by the Resolution Foundation.

Focusing on three key labour market violations, the analysis finds that:

- around one in 20 workers report receiving no paid holiday entitlement, despite being legally entitled to at least 28 days a year (pro-rated accordingly for part-time workers);
- almost one in 10 workers do not receive a legally required payslip, making it hard for workers to calculate whether they're receiving the right level of pay, pension and holiday entitlement and check for deductions; and
- HM Revenue and Customs identified a record 200,000 cases of workers not receiving the minimum wage as a result of its enforcement work last year, with the Foundation's analysis finding that at least a quarter of those earning within 5p of the minimum wage are paid less than the legal minimum.

The analysis shows that the likelihood of a worker being subject to labour market violations is closely connected to their personal characteristics, their type of employment contract, the firm they work for, and the industry they work in.

Workers aged under 25 and over 65 are the most likely not to receive a payslip, according to the research. Around one in six workers aged 65+ report they have no paid holiday entitlement, more than any other age group, while workers aged 25 and under are almost twice as likely to be underpaid the minimum wage as any other age group.

The Foundation says that workers in the hotels and restaurants sector are the most likely to miss out on minimum legal workplace entitlements. Around one in seven workers in the sector report receiving no holiday entitlement, three times the rate across the rest of the economy, while around one in seven do not receive a pay slip (a rate 50% higher than the rest of the labour market).

The analysis also finds that workers in small firms (employing fewer than 25 employees) are most

likely to miss out on pay slips and holiday leave, as are workers on zero-hours and temporary contracts.

The government has taken welcome steps to increase both the resources and powers of bodies such as HM Revenue and Customs and the Gangmasters and Labour Abuse Agency in recent years. However, the UK still largely relies on individuals to hold non-compliant firms to account, with the employment tribunal system receiving over 100,000 applications last year.

The Foundation says, however, that those workers who are most likely to require redress through the employment tribunal system are the least likely to use it. It notes that young people are disproportionately likely to be subject to unlawful working practises, but make far fewer applications than any other age group. In contrast, managers are the least likely to be subject to labour market violations, but are among the most likely to make tribunal claims.

The scale of labour market abuse highlights the need for the state to step up to ensure the UK's labour market rules are better enforced, according to the Foundation. It welcomes the government's plans to create a new single enforcement body to tackle labour market abuse, though it says that the new body must be properly resourced in terms of funding and staff, and have legal teeth.

Lindsay Judge, senior economic analyst at the Resolution Foundation, said: "The UK has a multitude of rules to govern its labour market – from maximum hours to minimum pay. But these rules can only become a reality if they are properly enforced.

"Labour market violations remain far too common, with millions of workers missing out on basic entitlements to a pay slip, holiday entitlement and the minimum wage.

"Our analysis suggests that while violations take place across the labour market, the government should also prioritise investigations into sectors like hotels and restaurants, along with firms who make large use of atypical employment contracts, as that's where abuse is most prevalent."

The study was published to mark the start of the Foundation's three-year investigation into labour market enforcement, supported by Unbound Philanthropy. It uncovers the extent of unlawful working practices across the UK, and identifies where abuse is most common.

<https://www.resolutionfoundation.org/press-releases/one-in-twenty-workers-say-they-are-not-receiving-any-paid-holiday-entitlement/>

Harassment of ethnic minorities at work

One in four ethnic minority employees experience bullying and harassment despite most employers having a zero-tolerance policy, according to a report from Business in the Community.

The report, *Race at Work Charter one year on*, shows that many UK businesses are increasingly starting to measure and monitor some of key indicators that mark progress towards racial equality.

However, survey findings within the report showed that there is still a need for more action UK employers to improve working environments for ethnic minority employees and there are still gaps that need to be addressed on pay, progression and tackling bullying and harassment.

Nearly all (97%) of employers have a clear zero-tolerance policy on racial harassment and bullying, but fewer than half (45%) have commissioned a review into bullying and harassment in the workplace. With one in four ethnic minority employees in the UK still experiencing bullying and harassment, commitment from the top is needed to achieve change.

Increasingly, employers are becoming more likely to monitor and record their ethnicity pay gaps with 63% of employers monitoring ethnicity pay on a regular basis. However, fewer than half of these feel comfortable declaring these figures publicly (31%). As companies have seen with gender pay gap reporting, publishing results with clear action plans is a key step to identifying areas for improvement and knowing what steps to take to bring this figure down.

Sandra Kerr, race campaign director at BITC, said: "Employers are making progress within their organisations to ensure that they are truly the best places to work for employees from all backgrounds and ethnicities. For the first time, we now have a current picture of the challenges that need greater focus and where employers may need support.

"The goal for employers needs to be creating inclusive organisational cultures where people can feel valued for their contributions and where differences are acknowledged as strengths rather than something that holds them back. Measurement is such an important lever for change and

targets must be set at every stage, from recruitment through to retention and progression at all levels.

<https://race.bitc.org.uk/all-resources/research-articles/race-work-charter-one-year-2019-report>

What union reps need – take the survey

The TUC is undertaking a major piece of research into the role of union reps in the modern workforce. It's been travelling round the country speaking to reps and is now launching a UK-wide union reps survey.

By taking part in the survey respondents will help shape the future of the TUC and refine how the TUC and its affiliate unions support reps in future.

There are also prizes to be won.

Take part here:

<https://www.snapsurveys.com/wh/s.asp?k=156633107402>

And then pass on the message to other union reps.

www.tuc.org.uk/repsurvey



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