



paymy nanny.net  
dedicated payroll for nannies

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# Becoming an employer

## Your responsibilities

If you employ a nanny in the UK you have the same legal responsibilities as a commercial employer. This factsheet provides you with a basic summary of legal requirements and best practice to help you get started.

**N.B.** Anything flagged  is statutory requirements.

### 1. Taking on your first employee

When you take on your first employee it is important that you comply with your legal requirements:

1. You will need to take out employer's liability insurance.
2. Tell your home insurance provider that you have a nanny.
3. If you are employing a nanny you need to register as an employer with Her Majesty's Revenue & Customs (HMRC). (*Paymynanny.net will do this as part of your subscription*)
4. If you are already registered as an employer, tell HMRC that you have taken on a new employee. (*Paymynanny.net will do this as part of your subscription*)
5. Get your new employee's P45 and National Insurance number and forward to PayMyNanny to ensure the correct deductions can be made. If a P45 is not available, a P46 is required.



### 2. Make sure your home and garden is suitable

Your home and garden will be your nanny's workplace. Check it out for potential risks and hazards, for example, slippery surfaces, hidden steps, electrical wires etc. You don't want an accident that may result in a claim. You may also want to define the work space for your nanny. Are there rooms/areas that are out of bounds?

It's your job to make sure your nanny understands their responsibilities for Health & Safety, especially any specific requirements and risks when caring for children.

### 4. Pay, incentives and benefits

There are no hard-and-fast rules about how much you should pay your employees (so long as you match or exceed the statutory minimum wage, see rates below). However if you don't pay typical rates for your area in line with other families, you will find it harder to recruit good employees.

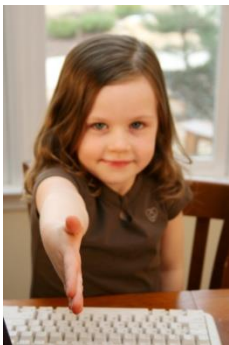
There are exemptions to the National Minimum Wage (NMW) and these include nannies who live as part of the family and is not provided with separate accommodation, is treated as a member of the family and, as such, is excluded from the NMW. For employers who provide separate accommodation for their employees there is an allowance per 7-day week, which can be offset against the NMW hourly rate.



NATIONAL MINIMUM WAGE RATES	
From 1 October 2014	From 1 October 2015
Workers aged 21 +	£6.70
Workers aged 18 - 20	£5.30
Workers aged 16 -17	£3.87

## 5. Making the job offer

You may want to make a job offer by telephone to start with. You can discuss the terms of employment and establish if the nanny would like to take up the offer of a job. A job offer made and accepted verbally constitutes a contract of employment, so be careful to word the conversation correctly.



Then follow up by sending the successful candidate a formal offer letter including:

- The job title
- The name of the person to whom the job is offered
- Any specific conditions of work made e.g. checks on eligibility to work
- The date employment starts
- Whether a probationary period is applicable
- The terms of the job
- Action required by the candidate, e.g. production of suitable evidence to be in the UK and take up the employment in question
- Decide what information can be given at a later date e.g. Written contract of employment, employee handbook and induction programme.

Ask the candidate to return a signed copy of the offer letter to you - this establishes the terms on which the offer was made, in case of any disputes. Job offers can be subject to candidates meeting certain conditions based on pre-employment checks you require - see below

## Pre-employment checks

Offers can be subject to candidates meeting certain conditions based on your pre-employment checks. Such as:

1. You may want to understand the employee's health/medical situation. You can ask successful candidates to complete a medical questionnaire in line with the Equality Act 2010.
2. If your nanny comes via an agency the agency may carry out an Enhanced Criminal Records Check, known as a Disclosure and Barring Service (DBR) check. You can ask to see the certificate. Unfortunately, you won't be able to carry out checks yourself, unless you run a business that needs more than 100 checks a year.
3. Providing one or a combination of two specified documents that prove that he/she has the right to be - and work - in the UK. This is usually a valid UK passport, birth certificate, national insurance number and/or a valid work permit or visa.
4. Obtaining suitable references. An employer doesn't have to provide one, but you can draw your own conclusions if they refuse. Referees may also wrongly indicate an applicant's suitability.
5. Completing a probationary period.

## 6. The employment contract

You are required by law to give written statement of the terms and particulars of employment to all employees who have been in your employment for at least one month. The statement helps to avoid misunderstanding and disputes about particulars of employment. Incomplete or inaccurate written particulars of employment can result in increased compensation being awarded at an employment tribunal in the event of a successful separate claim. Written statements should be given to all employees.

You are required by law to give employees their written statements within two months of the start of their employment. Ideally you should do this on their first day. You may provide the written statement in the form of a letter of engagement and/or a written contract before the nanny begins work. Go through the statement with your nanny to clarify any points and to answer any queries he or she may have about their employment.

The law allows you to issue the written statement in instalments, but certain key information must be included in the 'principal' statement, which must be included in a single document. These items are:

- Name of employer and employee
- Date employment and continuous employment began
- Job location
- Pay
- Working hours
- Holiday entitlements
- Job description/job title
- Details of any collective agreements that directly affect the employee's conditions of employment

The law allows you to refer employees to other documents, for example an employee handbook, for information on; sickness provisions, pensions, notice periods (but only collective agreements or legislation) and certain disciplinary or grievance matters. All other information on the employment particulars must be included in the written statement and, in practice, it is usually better in a smaller company to put all information in one document.

The remaining information can be given in other instalments, but all the instalments must be given to the employee within two months of the date of starting work. Where an employee is required to work outside the UK for more than one month within the two-month period, they must be given the statement before they leave the UK.

You may also want to include additional clauses specific to your business to protect your interests.

Make sure the contract is issued to the employee within eight weeks of their start date, and that you get a signed copy returned for your records.

#### **Changes to Contracts**

Should you need to make changes to the terms of an employee's contract you will need the employee's consent. Changes to hours, pay, working location etc., which will be permanent (more than three months), must be fully discussed first, and the employee must be given a clear explanation for the changes (this will usually be for business reasons). Once agreement is reached with an employee over revised terms, you must issue a new contract straight away.

If a change is temporary (less than three months) you won't need a new contract.

#### **7. Employee handbook**

You could issue your employee with a handbook. This sets out how you like to do things such as what to do if the nanny is ill, how to book holidays, what the dress code is and how workplace issues are resolved.

Giving this out when employees start means that both you and your nanny are clear about what is expected.

#### **8. Getting new employees started**

Plan your nanny's induction to help him/her settle into work and be effective in their job as soon as possible. Remember to include health, safety and environmental information and any other information the employee needs to be able to comply with your family rules and standards.

#### **9. Prevent discrimination and value diversity**

Make sure you understand and keep on the right side of the laws, which make the unfair treatment of employees illegal. You should not discriminate on the grounds of sex, race, sexual orientation, pregnancy, religion or belief, disability or age. Job applicants and employees who are pregnant are also protected by law.

Once employment is underway, there must be pay equality between men and women, part-time and full-time workers and fixed-term and permanent staff.

#### **10. Prevent bullying, victimisation and harassment**

You must take effective measures to ensure your employees are not subject to verbal or physical bullying or harassment (particularly but not exclusively sexual harassment) from their employer, employer's family and other people they come into contact with during the course of their duties. This can even extend to out of work activities. Legal cases in the Employment Tribunal for constructive dismissal, sexual discrimination and workplace stress resulting from this are increasing. Criminal prosecutions against the harasser (for example, for assault) are also possible: at least one sexual harasser has been jailed. So, please take this very seriously.

You should also ensure that your nanny understands the nature of bullying and harassment and that it has no place in the family and work environment.

### 11. Keep the right employee records

Make sure you keep employee records confidentially and in line with the Data Protection reasons.

### 12. Set up employment policies

Set out your employer policies and procedures – ie what to do if your nanny is sick - either in your contract or handbook to ensure your employee understand them and can comply with them. These policies and procedures provide a framework for clear and consistent decision-making for you and demonstrate fairness to your employee.



### 13. Family-friendly rights

This is the collective term for rights such as:

- Maternity, Adoption, Shared Parental and Paternity leave and pay.
- Unpaid time off to care for a child or other dependent in case of emergencies
- The request for flexible working. An employer has to give such a request reasonable consideration, but the employee has to submit a reasoned request in writing and the arrangement must be proposed on a permanent (as opposed to temporary) basis. If there is a reduction in working time, the employer is entitled to proportionately adjust salary.
- Parental Leave (unpaid)

### 14. Working Time Rules

Domestic employees, including nannies, are exempt from the measures concerning working hours, however all employees aged 18 or over are entitled to a 20 minute rest break for every six hours worked. You can determine the break's timing, though it mustn't be offered at the beginning or end of a shift. It is also your duty to ensure that your employee can take their breaks. Please note that young workers, aged 16 and 17, should take at least 30 minutes' break if they work more than four and a half hours. If they also work for another employer, the time worked in total must be considered when calculating entitlement to breaks.

### 15. Holidays

Employees are entitled to 28 days' paid holiday a year including customary holidays (this entitlement is pro-rata for part time employees.)

### 16. Resolving employee issues

On the rare occasions when an employee's behaviour becomes a problem that cannot be resolved through one-to-one discussions, you may need to adopt a more formal approach. All employers must follow disciplinary and dismissal guidelines, which they must follow otherwise a dismissal may be considered to be unfair.

Matters of conduct or poor standards of performance should be dealt with through a disciplinary procedure. Remember though, at all times, the aim of the disciplinary procedure is to put matters right, rather than impose punishment.

You will have explained the disciplinary procedure in the contract and/or handbook. It is important that you take time to become familiar with the disciplinary procedures before taking any action.

### 17. Redundancy

Genuine redundancy is a fair reason for dismissal, but you still need to act legally, reasonably and follow a fair procedure.

A genuine redundancy only arises out of real economic, technical or organisational changes, for instance when:

- The family relocates and nanny cannot accompany them
- There is a reduction in the amount of work or where the work ceases to exist e.g. when the child(ren) start school, mum/dad are on maternity/paternity leave with a new baby

Redundant employees are of course entitled to notice or pay in lieu, and redundant employees with two or more years' service will also be entitled to (tax-free) statutory redundancy pay.