

For further  
information contact:

Judith Ellery

jellery@metcalfes.co.uk

0117 9453080

Paul Seath

pseath@metcalfes.co.uk

0117 9453084

## Employment E-Brief 7

### DTI DISCUSSION DOCUMENT ON EMPLOYMENT STATUS

Currently, the level of employment protection individuals have depends on whether they are “employees” or “workers”. Worker is the wider of the 2 terms (catching individuals who, although not employees, are contracted to provide personal work without being in business on their own account), but offers less protection. For example, workers cannot claim unfair dismissal.

The Government accepts that this means coverage of employment rights varies and, because of the difficulties with definitions, causes confusion. It has, therefore, issued a Discussion Document which invites views on what changes, if any, are appropriate. In particular:

- whether any category of worker requires the protection of some or all of the statutory rights from which it is currently excluded
- whether the current coverage of employment rights supports a wide range of diverse employment opportunities
- the effect on the labour market of extending some or all employment rights, and in particular on working people’s willingness to accept - and employers’ willingness to offer - “atypical” working arrangements
- whether the current targeted system and the definitions used are easy to understand
- what the costs and benefits of extending the scope of some or all rights may be for small businesses, other organisations and the working people affected
- what non-legislative approaches could be used to address problems arising from lack of clarity in employment status
- whether there are ways to overcome practical difficulties in extending some or all rights to certain working people where a third party (such as an agency) is involved in the employment relationship

*This update is for guidance purposes only and should not be regarded as a substitute for taking specific legal advice from your usual Metcalfes’ contact.*

Responses have to be submitted by 11 September 2002. It will, therefore, be some time before any potential changes are drafted. However, if changes are made employers will need to beware because it will greatly increase the number of individuals afforded protection which, in turn, could lead to an increase in Tribunal claims.

