

Perspectives

Personal law updates from Morr & Co

Newsletter

AUTUMN 2024

Hello,

Welcome to the latest edition of Perspectives, our newsletter which provides information, news and insights into the most recent legal developments that may affect you and your family.

Autumn has always been one of my favourite seasons. As poet Louis MacNeice wrote, "September has come, it is hers whose vitality leaps in the Autumn..." This perfectly captures the energy at Morr & Co as we approach the end of the year.

We've focused on cementing our reputation as an employer of choice through lifelong learning, technical development and regular feedback. Our efforts were recognised when we were named Employer of the Year at the Tandridge Business Awards.

This year has also been marked by success in the legal awards circuit and we secured rankings in the Chambers & Partners High Net Worth Guide and the Chambers & Partners UK Guide in several categories.

We make no apology for celebrating these achievements – our people deserve recognition for their excellent work and our clients are secure in the knowledge that they are putting their trust in a team judged by the industry to be among the best in the country.



I hope you find this edition of Perspectives useful and insightful.

Catherine Fisher
Managing Partner

MORR & CO



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What does the new(ish) Labour Government mean for employment rights?

At the TUC Annual Conference on 12th September 2023, Angela Rayner MP, promised that Labour would introduce an Employment Rights Bill within the first 100 days of entering office.

Key proposals that Labour indicated the new Bill will introduce include the following:

Day one rights

Currently, an employee needs two years of service with their employer to qualify for an unfair dismissal claim (unless certain factors, such as discrimination are involved).

The Plan to Make Work Pay states that 'basic individual rights' will be provided from day one for all workers, 'ending the current arbitrary system that leaves workers waiting up to two years to access basic rights of protection against unfair dismissal, parental leave and sick pay.'

Employers will still be able to operate probationary periods (likely limited to six months) to assess new hires, but only where there are fair and transparent rules.

This change could significantly expand workers' rights, offering increased protection. However, some employers may become more hesitant to hire new employees.

In its Plan to Make Work Pay, Labour committed to ending the practice of 'fire and rehire' as a lawful means of changing contractual terms. While businesses must restructure when genuinely necessary, it believes this 'must follow a proper process based on dialogue and common understanding.'

The law will be reformed to provide effective remedies against abuse and a strengthened statutory code will replace the current one.

This is likely to be a popular move among employees, especially given recent high-profile cases of employers like Tesco seeking to use this technique to push through changes to terms and conditions.

Discrimination and diversity, equality and inclusion

Labour has made several commitments regarding discrimination and diversity, equity and inclusion (DEI):

1. Labour promised to create the position of Secretary of State for Women and Equalities for the first time. However, Bridgit Phillipson MP and Anneliese Dodds MP, have been appointed to the lesser roles of Minister for Women and Equalities.
2. Labour committed to requiring employers to create and maintain harassment-free workplaces, including by third parties. To tackle sexual harassment at work, it will strengthen the legal duty for employers to take reasonable steps to stop it.
3. Labour also committed to making flexible working a default right unless employers have a valid reason to refuse.

Ending one-sided flexibility

Labour declared it would end one-sided flexibility and ensure jobs provide a baseline level of security and predictability by:

1. Banning exploitative zero hours contracts.
2. Ensuring that workers have the right to:
 - I. a contract reflecting the hours they regularly work, based on a 12-week reference period.
 - II. reasonable notice of any shift changes, with compensation proportionate to the notice given for any shifts cancelled or curtailed. Workers will retain the right to overtime pay.

Employment tribunal proceedings

The Plan to Make Work Pay confirmed that the time limit for bringing an employment tribunal claim will increase from three to six months. Previous indications included:

1. Tougher penalties on employers who break the law or fail to comply with tribunal orders, including personal liability for directors.
2. The removal of caps on compensation payable to workers following breaches of the law (currently capped at one year's pay or £115,115 for unfair dismissal claims). It therefore appeared that the statutory cap on unfair dismissal compensation and the cap on a week's pay for the purpose of calculating certain compensatory payments would be disapplied.

At time of publication, it is unclear if these proposals are still under consideration.

Statutory sick pay (SSP)

The Bill is expected to provide sick pay from day one for all workers, as the first three days of SSP are currently unpaid.

The Employment Rights Bill has the potential to fundamentally change employment rights, significantly impacting how businesses operate concerning employees and what employees expect from employers.

These are just a selection of the proposals, but if introduced, these changes will require serious consideration by both employers and employees regarding recruitment, operations and policy implementation.



If you have any questions or would like any further information on the content of this article, please do not hesitate to contact our **Employment** team, who will be happy to help.

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Navigating the complex world of leasehold properties

In some regions across the country, leasehold properties are few and far between and many law firms in those areas might shy away from handling such matters.

However, at Morr & Co, with our broad geographic presence, we encounter an abundance of leasehold properties. This exposure has allowed us to develop deep expertise in navigating the complexities of leasehold issues.

While leasehold transactions were once relatively straightforward, they have unfortunately become more challenging due to several factors. Notable concerns include well-publicised issues such as problematic ground rents, the shortening of lease terms and most recently, the intricate implications of the Building Safety Act 2022, which emerged following the findings of the Grenfell Tower tragedy.

As a result, lenders have adopted a more cautious stance towards leasehold properties, creating additional opportunities for delays and complications. In fact, we have observed that many law firms are now choosing to avoid leasehold work altogether.



This is not the case with Morr & Co, where we have cultivated a specialist team, highly experienced in guiding clients through the process of leasehold transactions. Whether you are buying or selling a leasehold property, or seeking a lease extension, we are here to assist you with confidence and expertise.

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Your guide to estate administration

Losing a loved one is an emotional time and estate administration can feel daunting for those unfamiliar with it.

This article provides answers to common questions to ease the burden of dealing with estate administration in England and Wales.

What is probate?

A Grant of Probate (also known as the Grant) is a legal document allowing an individual to access bank accounts, sell assets and settle debts of someone who has died. If there's a will, it confirms the authority of the executors. Without a will, it's called Letters of Administration. The term probate is often used, even when no Grant is required.

Do I need to go through probate?

This very much depends on the assets and how the estate is distributed, either through a will or by law if there is no will. It's best to ask every financial institution that your loved one had accounts with, if a Grant is needed.

Often, when money passes from solicitors to an executor or beneficiary, a Grant will be required to prove authority over the funds.

How does probate work?

The probate process typically has two stages. First, you need to declare all assets and liabilities to HMRC and pay any tax owed.

After HMRC confirms this, you can then apply for the Grant at the Probate Office, providing the original will if there is one. Once you obtain the Grant, you can liquidate and distribute the estate.

Can probate be avoided?

Probate cannot be avoided, but sometimes it isn't needed. Common reasons for it not being needed include:

1. The value of the deceased's bank account is below the threshold set by the bank (each bank sets its own threshold).
2. Assets were jointly owned and you want to transfer the assets to the surviving owner.
3. The asset was enjoyed by the deceased but the legal ownership was in someone else's name, such as in a trust.

What are an executor's responsibilities?

An executor's duties are similar to a trustee's, as they manage money for others. The main responsibilities include:

1. Declaring and paying the correct amount of taxes.



2. Safeguarding (making sure assets are insured if appropriate) and potentially selling assets.
3. Paying creditors before distributing to beneficiaries.
4. Transferring assets once liabilities have been settled and providing beneficiaries with accounts of the estate.
5. Paying any income tax, capital gains tax or other taxes that may be due during estate administration.

Do I need a probate attorney?

The person entitled to apply for the Grant of Probate or Letters of Administration is set out by the will or by the default legal rules if there is not a will. You may be obliged to use a solicitor if they are named in the will. Even if they are not named in the will, you may wish to consult with a probate solicitor to ensure you are paying the right amount of tax and you have satisfied your duty as executor to the estate.



If you have any questions or would like any further information on the content of this article, please do not hesitate to contact our **Private Client** team, who will be happy to help.

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Understanding the importance of legal advice for cohabiting couples

Cohabitation law reform has been a pressing issue on the political agenda in England and Wales for years, with family lawyers consistently advocating for change, as they have recognised the growing trend of cohabitation as an alternative to marriage.

However, as more people choose to cohabit, many remain unaware of the significant legal differences between marriage and cohabitation, especially when it comes to financial protection and property rights.

The misconception of the 'common law marriage'

A common misconception among many cohabiting couples is the belief in the existence of a 'common law marriage'. It is often thought that simply living together for an extended period creates legal rights similar to those of married couples. However, this is not the case. In England and Wales, there is no such thing as a 'common law husband or wife'.

Regardless of the length of time a couple has lived together, cohabiting partners do not have the same legal rights as married couples. This lack of protection becomes particularly evident in situations where a cohabiting relationship ends.

When a married couple divorces, they have the protection of the financial claims available under the Matrimonial Causes Act 1973. This law provides a framework for dividing assets, including property, savings and pensions and can also require one spouse to support the other financially by way of maintenance.

In contrast, cohabiting partners have no such automatic rights. If the relationship breaks down and the parties own a property together, the division of the property is governed by trust and property law, which may not take into account factors such as contributions made by the parties or their future needs.

The importance of legal protection for cohabiting couples

Given the lack of automatic legal protection, it is crucial for cohabiting couples to take proactive steps to protect their financial interests.

One of the most effective ways for cohabiting couples to protect themselves is by entering into a Declaration of Trust when buying a property together. This legal document clearly defines the beneficial interest each partner has in the property, specifying how the net equity will be divided if the property is sold.

A Declaration of Trust is particularly important in situations where one partner contributes more to the purchase price, mortgage payments, or property improvements. Without this document, there may be a presumption of equal ownership, which could lead to disputes and financial loss if the relationship breaks down.

In addition to a Declaration of Trust, couples can also enter into a Cohabitation Agreement. This agreement can cover a wide range



of financial and practical matters, including the payment of bills, ownership of cars and other assets and the treatment of debts.

By entering into such documents, couples can avoid the stress and cost of litigation if their relationship ends.

The role of pre-nuptial agreements for cohabiting couples planning to marry

For couples who are cohabiting but planning to marry, a pre-nuptial agreement (pre-nup) can be an essential tool.

While pre-nuptial agreements are often seen as unromantic, they play a crucial role in protecting individual assets and wealth in the event of divorce. For a pre-nuptial agreement to be upheld by the court, the overriding objective is that it must be fair.

If one or both parties have pre-acquired wealth or anticipate inheriting substantial sums in the future, a pre-nuptial agreement seeks to ensure that these assets are not considered part of the marital acquest in the event of a divorce.



If you have any questions or would like any further information on the content of this article, please do not hesitate to contact our **Family** team, who will be happy to help.

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