

**BUSINESS:** *Creating informed, discerning employees, consumers and future leaders*

## Topic 1.5.3 Legislation

### Key Vocabulary

**Legislation** - laws

**National Minimum Wage** – the lowest amount an employee can be paid by law

**National Living Wage** – the minimum amount per hour for a 25-year-old or older

**Equality Act 2010** – Main employment legislation that replaced lots of other laws. Makes it illegal to discriminate against anyone, e.g. because of race, religion, gender

**Health & Safety at Work Act** – law that helps to ensure that all risks to employees are minimised and properly controlled

**Consumer Rights Act** – law that covers how goods and services are sold

**Discrimination** – treating one person differently to others because of a specific trait such as their gender

**Red tape** – the term for extra administration needed to meet legal requirements that affects the business acting as it wants to

### Core Knowledge

Employment legislation protects the rights of employees from any actions of their employers

Consumer legislation protects the rights of consumers from any harm that might be caused by using or consuming a product or through transaction with a business

Businesses must pay the at least the minimum wage, or they are breaking the law. This can increase costs. BUT paying a rate above the minimum can lead to good publicity and more staff wanting to work for you.

All goods must be **fit for purpose, match the description** and be of **satisfactory quality**. If they are not, the consumer can ask for a **Refund, Repair or Replacement**.

**Impact on costs** - Meeting legal requirements increases costs – better quality materials, checking adverts are correct, extra time for staff to complete and check paperwork, training staff

**Impact on sales** – meeting or going above legal requirements can improve reputation and therefore increase sales through recommendations, repeat custom and positive reviews

**Consequences** – breaking the law can lead to fines, bad publicity or even a jail term

### Don't be a "man on the street"

- Remember you cannot get a refund if you simply change your mind – many retailers offer this but is not illegal to refuse
- Health & Safety is the responsibility of the employee as well as the employer – if safety clothing is provided you MUST wear it by law
- You do have different rights when you buy online
- If the item is faulty it is the retailer's responsibility, not the manufacturer



### Wider Business World

**Lidl** – pays more than Living Wage

**Which** – consumer association brand name. A group that raises awareness of consumer rights



### Synoptic Links

**Marketing Mix** – legislation has affected the Product, Price and Promotion elements

**Costs, Revenue & profit** – legislation increases costs for a business

**Recruitment** – employment legislation affects the way a business can advertise vacancies

**Globalisation** – a business will need to be aware of different legislation if it trades in multiple countries

**Ethics** – some businesses will go further than the minimum legal requirements