

Bulletin 123

28th February 2008

INCREASES IN STATUTORY AWARDS

As of the 1st of February 2008 the Department of Business Enterprise and Regulatory Reform (DBERR) (Formerly known as the DTI) has announced the following increases in statutory pay and awards:

	Pre 1 st February 2008	Post 1 st February 2008
Statutory Week's Pay	£310	£330
Maximum basic award for Unfair Dismissal (equating to the equivalent of 30 weeks' pay)	£9,300	£9,900
Maximum Compensatory Award for Unfair Dismissal	£60,600	£63,000
Maximum award in Breach of Contract cases	£25,000	

Please Beware! There is no limit on the award where the employee is found to have been dismissed unfairly or selected for redundancy for reasons connected with health and safety matters or public interest disclosure, otherwise known as "Whistleblowing". Additionally, there is no statutory cap in relation to claims for discrimination which include "Injury to Feelings" Damages

• **Practical Explanation of what this means for your business:**

- **Redundancy payments:** The amount of statutory redundancy pay an employee is entitled to, depends upon their age, length of service, and the amount they are paid on a weekly basis, with a statutory maximum payment of 30 weeks' pay
- **Unfair dismissal - Basic award:** The Basic award compensates the employee for loss of job security. The amount of the basic award is calculated in a similar way to redundancy and the maximum basic award is 30 weeks' pay.
- **Unfair Dismissal - Compensatory award:** The Compensatory award is assessed by the Tribunal to compensate the employee for their loss of earnings between the dismissal and the tribunal hearing, and the likely future loss of earnings. This would include any award for loss of pension rights, which could be sizeable in the event that the employee is a member of a final salary pension scheme.

If you require any specific advice in connection with the material contained in this bulletin, or on any other Employment Law issues, please contact a member of the Employment Team on 0151 600 3000. If you no longer wish to receive the bulletin please let us know by return email.

This bulletin is for general guidance purposes only and should not be used for any other purpose.

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