



Bulletin 137

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STOP PRESS!

Budget Increases Redundancy Payments

The 2009 Budget, published today by HM Treasury, unexpectedly included an increase in the maximum weekly rate to be used when calculating statutory redundancy payments. This is stated to be part of the Government's actions to support employment, the so-called 'Budget for Jobs'.

A week's pay will now be capped at a maximum of **£380**, rather than £350 meaning that the maximum statutory redundancy payment will rise to **£11,400**.

The Chancellor, Alistair Darling, did not state when this change would come into effect, although this will presumably be announced shortly.

At this stage it does not appear that the maximum week's pay for unfair dismissal purposes will be increased, and will therefore remain at £350. However, this or other changes could be made when the budget is actually put into effect.

We will aim to update you of the implementation date for the new limit, and any other relevant information, as soon as it becomes available.

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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