
Employment Rights (Increase of Limits) Order 2010

The latest Employment Rights (Increase of Limits) Order was published on Friday 10 December. The Order will see employers potentially paying out more in redundancy payments and unfair dismissal compensation from 1 February 2011.

The most significant changes are:

- The maximum compensatory award for unfair dismissal claims will rise from £65,300 to **£68,400**;
- When calculating statutory redundancy payments, the cap on an employee's weekly pay will be increased from £380 per week to **£400** per week. This also applies to calculations for a basic award in an unfair dismissal claim;
- For claims for dismissal by virtue of health and safety, employee representative, trade union or occupational pension trustee reasons, the basic award will increase from £4,700 to **£5,000**;
- The limit on employees' guarantee pay is increasing by £1 per day, from £21.20 to **£22.20** per day.

It is important to note that these increases apply only to dismissals and redundancies which take place after 1 February 2011. The current rates will continue to apply to any terminations of employment falling before this date, regardless of when the compensation is actually paid out.

Changes to Statutory Sick Pay, Maternity, Paternity and Adoption Pay

Changes to the rates for statutory sick pay, and statutory maternity, paternity and adoption pay, have also been proposed.

- Statutory sick pay will increase from £79.15 to **£81.60**;
- Statutory Maternity, Paternity and Adoption Pay will increase from £124.88 to **£128.73**.

These changes are expected to come into force on 11 April 2011

If you would like to discuss any issues raised in this Update or any other employment related matter please do not hesitate to contact our Employment Team on:- 01279 755777 or email employment@nockolds.co.uk

Disclaimer: This article has been prepared for general interest and it is important to obtain legal advice on specific issues. We believe the information contained in it to be correct at the time of print. While all possible care is taken in the preparation of the article, no responsibility for its accuracy or for loss or damage occasioned by any person acting or refraining from acting as a result of the material contained herein can be accepted by the firm.