



# Briefing Employment

Construction Confederation

January 2007

www.theCC.org.uk

## Increase in Redundancy Pay & Tribunal Awards Limits

New limits on redundancy pay and basic and compensatory Tribunal awards have just been announced to take effect from 1 February 2007. The annual increases are in line with Government changes implemented under the Employment Rights (Increase of Limits) Order 2006 SI 2006/3045. The new limits will apply where the event giving rise to the right to compensation took place on or after 1 February 2007, and a summary of the main increases is set out below.

	Old Limit	New Limit	New Maximum
<b>Redundancy Pay</b> Limits on a weeks pay	£290	£310	£9,300
<b>Unfair Dismissal Basic Award</b> Limits on a weeks pay	£290	£310	£9,300
<b>Unfair Dismissal Additional Award</b> Limits on a weeks pay	£290	£310	£8,060 - £16,120 (between 26 and 52 weeks pay)
<b>Unfair Dismissal Compensatory Award</b>	£58,400	£60,600	
<b>* Guarantee Pay</b> Limit on a day's pay during short-time or temporary lay-off in respect of 5 days in any period of 3 months	£18.90 per day	£19.60 per day	£98.00 per week

\* NB. The CIJC Working Rule Agreement provides lay-off pay based on the actual basic rate for the first 5 days.

Employers are reminded that dismissals that do not comply with the requirements of the Dispute Resolution provisions of the Employment Act 2002 will be regarded as "automatically unfair" by an Employment Tribunal resulting in an increase of between 10% and 50% of the compensatory award. The Construction Confederation has provided a detailed Briefing (September 2004) regarding the provisions - which is available on the members area of the website [www.theCC.org.uk](http://www.theCC.org.uk).

Further information may be obtained from the Construction Confederation Industrial Relations Department on 020 7227 4522

### COPYRIGHT

The right of the Author to be identified as the Author of this Work has been asserted in accordance with the Copyright, Design and Patents Act 1988. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, except as permitted by the UK Copyright, Design and Patents Act 1988, without the prior written permission of the publisher.

Application for permission for other use of copyright material including permission to reproduce extracts in other published works shall be made to the publishers. Full acknowledgment of Author, publisher and source must be given. The Construction Confederation makes no warranties, representations or undertakings about any of the content of the publication including, without limitation, any as to the quality, accuracy, completeness or fitness for any particular purpose of such content.