



Employment Briefing

Construction Confederation

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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 2006. The annual increases are in line with Government changes implemented by s34 of the Employment Relations Act 1999, and are linked to the Retail Prices Index for the past year. The new limits will apply where the event giving rise to the right to compensation took place on or after 1 February 2006, and a summary of the main increases is set out following.

	Old Limit	New Limit	New Maximum
Redundancy Pay Limits on a weeks pay	£280	£290	£8,700
Unfair Dismissal Basic Award Limits on a weeks pay	£280	£290	£8,700
Unfair Dismissal Additional Award Limits on a weeks pay	£280	£290	£7,540 - £15,080 (between 26 and 52 weeks pay)
Unfair Dismissal Compensatory Award	£56,800	£58,400	
*Guarantee Pay Limit on a day's pay during short-time or temporary lay-off in respect of 5 days in any period of 3 months	£18.40	£18.90	£94.50

*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 on www.theCC.org.uk ■

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