

New tribunal compensation limits announced

A new set of employment tribunal compensation limits will be introduced from 6th April 2020, meaning employers could be faced with issuing higher pay-outs if they lose a claim. Join us as we take a closer look at these new limits below:

- The maximum compensation for unfair dismissal will increase from £102,194 to £104,659
- This consists of the new maximum basic award of £16,140 and the new maximum compensatory award of £88,519, or a years' pay, whichever is lower
- Not all staff who are unfairly dismissed will be entitled to this full amount and awards will differ greatly depending on the facts of each case
- For dismissals that occur as a result of a health and safety or whistleblowing complaint, compensation remains unlimited
- Compensation also remains unlimited for discrimination claims
- The daily rate of statutory guarantee pay, paid in a lay off scenario, will increase to a maximum of £30
- £538 will be the new maximum limit on a week's pay when calculating statutory redundancy payments

Government releases plan to tackle coronavirus spread

With a potential scenario of one fifth of employees being absent if the virus spreads, the government has outlined four stages: contain, delay, research and mitigate. As part of this, an increased number of schools may need to close and employers may be encouraged to permit more home working.

Did you know?

Letting employees work from home as part of a flexible working arrangement can be well received by a workforce, helping to encourage attraction and retention. It could also be a solution to keep staff working if they enter into a period of self-isolation as a result of their potential exposure to the coronavirus.

Wrongful dismissal for false 'drugging' accusation

The employment tribunal has warned employers that failing to take into account mitigating circumstances when investigating gross misconduct could result in wrongful dismissal claims. Here, the claimant was accused of harassing a colleague by spiking her drink, which was later proven to be a misunderstanding.

Did you know?

Although certain incidents may at first seem to be a form of gross misconduct, an investigation could actually bring to light factors that call this into question. Employers should always proceed with care in these situations and take into account all evidence available, especially in situations of career ending implications.

'Light touch' towards IR35 changes in first year

Despite conducting a review into upcoming IR35 developments, the government has confirmed that they will go ahead on 6th April 2020. However, employers who show non-deliberate inaccuracies in the first year will not be face any cash penalties, and further HMRC guidance is to be provided.

Did you know?

From 6th April, affected private companies who use contractors through the use of a personal service company or other intermediary, such as an agency, will be responsible for deducting and paying employment taxes of the contractor in question. This has been in place in the public sector since 2017.

The rise in maximum compensation limits should encourage employers to be increasingly mindful of their actions when terminating employment, as one misstep could now be even more costly from a financial perspective. Therefore, if you feel that you need guidance on conducting a fair disciplinary procedure, give us a call using our 24 hour Advisory Service.

Please contact the 24 Hour Advice Service for advice on your specific situation before acting on the information in this publication.