

Significant increase in cost of redundancies and unfair dismissal claims

The government has announced a substantial increase to the maximum week's pay for redundancy and unfair dismissal calculations, we look at the key changes taking place from 6 April 2022.

- From 6 April 2022, the maximum week's pay for redundancy purposes will increase from £544 to £571. This is a huge £27 increase, normally this only increases by a few pounds each year, making redundancies more costly for employers.
- This means that the maximum statutory redundancy pay will be £17,130, being 30 weeks X £571 per week.
- There will be a slight increase in statutory guarantee pay from £30 to £31.
- The maximum basic award for unfair dismissal, which is calculated the same way as statutory redundancy pay, will also be £17,130.
- The maximum unfair dismissal compensatory award is 52 weeks' pay or the new maximum statutory cap in the sum of £93,878, whichever is lower. As an example, the maximum the employment tribunal can award in an unfair dismissal claim to an employee on an annual salary of £30,000, is £30,000, being 52 weeks' pay, whereas the maximum an employee on an annual salary of £120,000 could be awarded is the new statutory cap of £93,878.
- Employers should be aware that additional awards can be made by the employment tribunal, but this is rare. It is also important to bear in mind, particularly with the increase in Covid-related claims, that some unfair dismissal awards are uncapped such as compensation for whistleblowing dismissals and health and safety complaints.

Supporting staff affected by the situation in Ukraine

Employers should consider how to support employees impacted by events in Ukraine and Russia. Employers could allow employees to move their lunch break, to slightly adjust their working hours or to have more frequent breaks, so that they can more easily keep in contact with loved ones. Employees may have opposing views on what's happening so employers should remind staff of their policy on bullying and harassment.

Did you know?

Access to an Employee Assistance Programme could be helpful for anyone who is worried about the situation and the potential ramifications around the world.

SSP Rebate Scheme to close in March 2022

The cost to employers of paying Statutory Sick Pay (SSP) is set to increase this month when the SSP Rebate Scheme ends. Employers have until 24 March 2022 to submit their claims under the Scheme, which allows employers with less than 250 employees to recoup up to 2 weeks' SSP for each employee who was off sick with a Covid-related absence between 21 December 2021 – 17 March 2022.

Did you know?

Employers must keep certain records relating to claims made under the SSP Rebate Scheme for 3 years from the date they receive payment for their claim.

Agency workers not entitled to apply for vacancies

In the case of *Kocur v Angard Staffing Solutions Ltd*, it was argued that the right to be told of vacancies with the hirer implicitly included the right to apply for these jobs, but this was rejected by the Court of Appeal who confirmed that agency workers are not entitled to apply for internal vacancies. The right set out in the Agency Workers Regulations 2010 is limited to being notified of relevant vacant posts only.

Did you know?

This is a welcome decision for hirers as provided they notify agency workers of vacancies, they can give preference to their own staff when recruiting.

The rise in unfair dismissal compensation awards means it will be even more important for employers to ensure that any dismissals are fair. Contact our 24-hour Advisory Service for up-to-date guidance on this and more.

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