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Can I wish you all, on behalf of Sharman Law LLP, a very happy and hopefully a prosperous 2012.

Nobody knows how the economy is going to fare over the next 12 months, and so I have no intention of trying to predict something that could easily be way off beam.

However, there will be some changes during the year in employment legislation – I have previously mentioned the change (from April 2012) in the qualifying period for unfair dismissal claims (up from 1 to 2 years).

Another change coming into effect earlier than that is on **1 February 2012**, when there will be increases in the limits for working out statutory redundancy payments, and in the maximum compensatory awards for unfair dismissal.

In the case of redundancy, you may or may not know that there is a “cap” on weekly gross pay when calculating how much someone is entitled to receive by way of a statutory redundancy payment.

As from 1 February 2012, this cap will rise from £400.00 to **£430.00 per week**.

This means that, if an employee is made redundant on or after 1 February, and earns more than £22,360.00 per annum (gross), his statutory redundancy will be calculated by reference to a maximum of £430.00 per week.

In an uncertain economic climate there is always the possibility that an employer may go out of business and be unable to pay redundancy money – in that event, in certain circumstances, it is possible for the redundant employee to make a claim to be paid the redundancy money that the “bust” employer can no longer pay him from the government’s National Insurance Fund.

We are always happy to advise employees who find themselves in this situation.

One other change coming into effect on 1 February is an increase in the maximum compensatory award for successful unfair dismissal claims.

This will increase from £68,400.00 to **£72,300.00**.

Please remember – this is a **maximum** figure!

You might remember that I told you last October that the average award for unfair dismissal cases (according to Employment Tribunal statistics for the year to 31 March 2011) was only £8,924.00!

Nevertheless, in the case of higher paid employees, this maximum may be relevant.

It is, however, only part of the story - the employee may also be entitled to a “basic award” – calculated in the same way as a redundancy payment, and also (depending on the circumstances) there may be awards for breach of contract or discrimination (the latter type of claim having no potential maximum figure).

But do bear in mind - every case turns on its own facts, and we are more than happy to give specific advice.

**BILL FUDGE**  
**For and on behalf of Sharman Law LLP**

Note: the information in this note is for general and illustrative purposes only and should not be relied upon as legal advice. Sharman Law LLP would be happy to provide specific legal advice on any particular problem that you have.

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