



# HR Alert

Halliwells' Electronic Alert from the Human Resources Group

## Compensation Limits Increase

The Employment Rights (Increase of Limits) Order 2006 presented for parliamentary approval.

The annual increase in compensation limits for employment claims has been published. The most notable changes are:

- An increase of the cap on the compensatory award for unfair dismissal claims from £58,400 to £60,600 and
- An increase in the maximum basic award for unfair dismissal from £8,700 to £9,300
- The maximum week's pay for calculating the basic award, redundancy payments and other statutory forms of compensation has been increased from £290 to £310

It is bad news for employers as the increase to the basic award and the maximum weeks pay is double that which has been applied in previous years when the sums have been respectively raised by £300 and £10.

However the increases only apply where the event giving rise to the claim takes place on or after 1st February 2007.