



HR Alert

Halliwells' Electronic Alert from the Human Resources Group

3 January 2008

Increased compensation limits and statutory payment rates

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 £60,600 to £63,000
- An increase in the maximum basic award for unfair dismissal from £9,300 to £9,900
- The maximum week's pay for calculating the basic award, redundancy payments and other statutory forms of compensation has been increased from £310 to £330

This represents for the second year running increases to the maximum weeks pay and basic award that are double the amount applied in previous years.

The increased Employment Tribunal Compensation applies to awards where the event giving rise to the claim takes place on or after 1st February 2008.

The Government has also published the new rates that will apply to statutory sick pay, National Insurance levels, statutory maternity pay, statutory paternity pay and statutory adoption pay.

- Statutory Sick Pay will increase from £72.55 to £75.40 per week
- The lower weekly earnings limit for National Insurance liability will increase from £87 to £90 per week
- Statutory Maternity Pay will increase from £112.75 to £117.18
- Statutory Adoption Pay and Paternity Pay will also increase from £112.75 to £117.18

The new rates of pay are scheduled to apply from 6 April 2008.



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