

## Updates in Employment Law

*A number of new employment provisions came into force this week which will be welcomed by employers and which may have a significant impact in reducing the number of Employment Tribunal claims.*

### Employment Tribunal Fees

The Government has introduced fees for bringing Employment Tribunal claims (previously no fees were payable). The controversial new fees regime is currently subject to judicial review proceedings. The Government has confirmed that, should the legal challenge be successful, it will make arrangements to reimburse any fees that have already been paid.

Under the new regime, a claimant will have to pay an issue fee of £160 or £250 when the claim is filed. A hearing fee of £230 or £950 to proceed to an Employment Tribunal hearing will also now be payable. The level of fees will depend on which fee category claims fall into. For example, an unfair dismissal claim falls into the higher fee category.

An individual on a low income may not be required to pay all of the applicable fees.

### Pre-termination negotiations

Employers will now have more freedom to have discussions with employees about a proposed voluntary termination leading to compromise agreements (now renamed "settlement agreements"). Such "pre-termination negotiations" (in many cases) will be inadmissible in any subsequent unfair dismissal proceedings.

### Compensatory award for unfair dismissal limited to one year's pay

The unfair dismissal compensatory award limit will be the lower of the statutory cap (currently £74,200) or one year's pay. The new cap will apply where the effective date of termination of employment is after 29 July 2013.

The additional cap on the compensatory award will be welcomed by many employers and may have a significant impact on enabling employers to reach agreements with employees

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or to reach settlements of disputes with employees, particularly in conjunction with the new provisions on pre-termination negotiations.

At Rooks Rider, Amanda Pullinger is an employment expert, who can give specialist advice on both contentious and non-contentious matters.

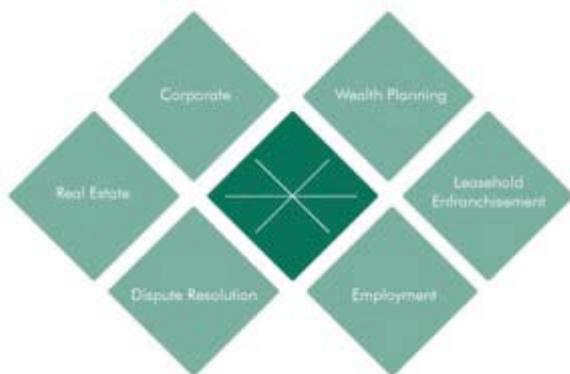
August 2013



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