



Mark Ridley
head of Employment
Department



Make sure you know the rules of redundancy

In these days of accelerating redundancy rates, a local solicitor is keen to highlight to businesses the rises in redundancy pay that came into force at the beginning of February.

According to Mark Ridley of Band Hatton, "On 1 February, a week's redundancy pay increased from £330 to £350, and the maximum statutory redundancy payment rose to £10,500 from £9,900. This has now gone up by nearly £4,000 since as recently as 2000, when the statutory maximum stood at just £6,600."

Just as significant, though, is the rise in the compensatory award for unfair dismissal, which has risen from £63,000 to £66,200. "This means that businesses found to have dismissed an employee unfairly may be forced to pay up to £76,700 – the compensatory award plus the statutory maximum payment,"

"In some cases, particularly those involving discrimination claims and whistle-blowing, there is no cap on the amount of an award that can be made, exposing businesses to potentially unlimited penalties. This makes it more important than ever, particularly in these days when redundancies are becoming increasingly commonplace, that employers always act fairly and within the rules."

Mark adds, "Any employer considering a redundancy programme, or investigating a workable alternative, should call us to ensure they understand how much they need to pay and don't run the risk of penalties."

"Call us our Departmental Direct Line 024 7649 3118 and speak initially to Sue Mace, the Department's PA to help find the solution that's best for you.