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Department for
**Employment
and Learning**
www.delni.gov.uk

ER19 Limits on payments and awards



May 2011

Introduction

This booklet outlines legislation which provides for payments to be made to employees in certain circumstances. Employees may be entitled to guarantee payments, redundancy payments and payment by the Department for Employment and Learning of certain debts owed by insolvent employers and damages for unfair dismissal. All these payments and awards are subject to financial limits and this booklet gives only general information about the sums payable. Please note that the monetary limits stated in this booklet are always subject to annual revision. Under the legislation, the Department is required to vary the limits on the various awards and payments mentioned above in line with the movement of the Retail Prices Index, using the September Index in each year as the reference point. The changes are made by Order as soon as is practicable.

Please note that this booklet gives **general guidance only** and should not be regarded as a complete or authoritative statement of the law. Authoritative interpretations of the law can only be given by the courts. Readers should be alert to the possibility of developments in case law that may affect the rights described. Further information can be obtained from the Labour Relations Agency (LRA) - for the addresses of its two offices see [Appendix 2](#). The contents of this booklet apply equally to men and women. For simplicity, however, the masculine pronoun is used throughout. Any reference throughout this booklet to Jobs and Benefits offices includes Jobcentres. This booklet, others in the series and related publications are free to download from the Departmental website www.delni.gov.uk under Employment Rights – publications. Alternatively they may be obtained upon request from your local Jobs and Benefits office. For information on Jobs and Benefits offices: **FREEPHONE 0800 353530**.

For employees seeking advice there is the employee section of the NIDirect website: www.nidirect.gov.uk/index/employment which provides a single comprehensive source of information for employees about their rights and responsibilities. Upon request, consideration may be given to making this booklet available in alternative formats and in other languages, for people who are not proficient in English. The Employment Rights series of booklets is updated on a regular basis. As part of this updating process, the Department would welcome any comment/s from members of the public regarding the content of these booklets.

All comments should be addressed to:

Department for Employment and Learning
Employment Relations Policy and Legislation Branch
Room 203 Adelaide House
39-49 Adelaide Street
Belfast
BT2 8FD

Alternatively, comments may be sent via e-mail to: erbooklets@delni.gov.uk

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The Limits *(These are always subject to annual revision)

	Before February 2011	From February 2011
Limit on guarantee payments	*£21.20 Per day <small>*(subject to annual revision)</small>	*£22.20 Per day <small>*(subject to annual revision)</small>
Limit on a week's pay	*£380 <small>*(subject to annual revision)</small>	*£400 <small>*(subject to annual revision)</small>
Maximum basic award for unfair dismissal (30 weeks' pay)	*£11,400 <small>*subject to annual revision)</small>	*£12,000 <small>*subject to annual revision)</small>
Minimum basic award for dismissal on trade union, health and safety, occupational pension scheme trustee, employee representative and on working time grounds only	*£4,700 <small>*(subject to annual revision)</small>	*£5,000 <small>*(subject to annual revision)</small>
Maximum compensatory award for unfair dismissal	*£65,300* <small>*(subject to annual revision)</small>	*£68,400* <small>*(subject to annual revision)</small>
Amount of award for unlawful inducement relating to trade union membership, or activities or services, or for unlawful inducement relating to collective bargaining	*£3,100** <small>*(subject to annual revision)</small>	*£3,300** <small>*(subject to annual revision)</small>
Minimum amount of compensation awarded by the Industrial Tribunal where individual expelled from union in contravention of Article 38 of the Trade Union and Labour Relations (Northern Ireland) Order 1995 and where, when the application is made, the applicant has not been re-admitted to the union	*£7,200** <small>*(subject to annual revision)</small>	*£7,600** <small>*(subject to annual revision)</small>
Maximum award in breach of contract cases	*£25,000 <small>*(subject to annual revision)</small>	

*There is no limit where the employee is dismissed unfairly or selected for redundancy for reasons connected with health and safety matters or public interest disclosure ('whistle-blowing').

****For details of trade union membership protection rights and compensation awards for exclusion or expulsion from a trade union please see - 'Union membership: rights of members and non-members' ER31.**

- * **N. B.** These are the current Limits on Payments. *All Limits on Payments are subject to annual revision.* This means that the rates quoted above can become out of date. This internet guidance will be updated as and when the rates are changed. Alternatively, for the current rates or other recent information on the updated Limits on Payments contact: **Employment Relations Policy and Legislation on: 028 90 257678.**

Recoupment of Benefit from Tribunal Awards

Part of the compensatory award in unfair dismissal cases compensates an employee for the loss of earnings up to the date of the Industrial Tribunal hearing. However, some employees may have already received Jobseekers' Allowance or Income Support for the same period. To avoid 'double payment' the tribunal will order the employer to pay a specified amount of the employee's award to the Social Security Agency.

The Awards

Details of the qualifying conditions employees have to meet in order to qualify for an award or payment are described in 'Booklets in this series' - see Appendix 1.

Guarantee Payments

Employees may be entitled to receive guarantee payments for up to five days of lay-off in any three-month period. The maximum amount of a guarantee payment for any one day is *£22.20 from February 2011 - (**subject to annual revision*). For further information see '**Guarantee payments' ER14.**

Redundancy Payments

The amount of a statutory redundancy payment depends on the employee's age, length of service and the amount of a week's pay. The maximum payment is up to 30 weeks' pay and the maximum amount of a week's pay which may be used to calculate a payment is *£400 (**subject to annual revision*). For further information - see '**Redundancy Entitlement - Statutory Rights' ER3.**

Insolvency

Employees may be entitled to payments by the Department for Employment and Learning of certain debts owed by insolvent employers - up to eight weeks' arrears of pay, up to six weeks' holiday pay and up to twelve weeks' pay as compensation if the employer fails to give the proper period of notice of dismissal. In each case the maximum payment for a week is *£400 - (**subject to annual revision*). For further information – see '**Redundancy Entitlement - Statutory Rights' ER3.**

Unfair Dismissal

The Industrial Tribunal may order an employer to re-employ an employee who has been unfairly dismissed. If the Industrial Tribunal does not order re-employment, or if the re-employment order is not complied with, it will award compensation as described below – see section ‘Compensatory award’.

The compensation awarded may be reduced by the Industrial Tribunal if, for example, it is found that the employee was partly to blame for the dismissal or that he has not tried to find another job in the meantime. For further information – see ‘**Unfairly dismissed?**’ ER13 and ‘**Union membership: rights of members and non-members**’ ER31.

Basic Award

The basic award compensates the employee for loss of job security. The amount of the basic award depends on the employee’s age, length of service with the employer and the amount of a week’s pay. The maximum basic award is 30 weeks’ pay (subject to the limit on a week’s pay). In ordinary unfair dismissal cases there is no minimum basic award. However, in the case of employees who are unfairly dismissed because of their membership or non-membership of a trade union, or because of their trade union activities, or because of activities as an employee representative or occupational pension scheme trustee, or because they have taken certain types of action on health and safety grounds or for the purposes of working time regulations, there is a minimum figure for the basic award.

	Before February 2011	From February 2011
Maximum week’s pay	£380	*£400 <i>*Subject to annual revision.</i>
Maximum (30 weeks’ pay)	£11,400	*£12,000 <i>*Subject to annual revision.</i>
Minimum (Trade Union, Health and Safety, Occupational Pension Scheme Trustee, Employee Representative and Working Time cases only)	£4,700	*£5,000 <i>*Subject to annual revision.</i>

*** All Limits of Payments are subject to annual revision.**

Compensatory Award

The compensatory award is based on the Industrial Tribunal’s assessment of the employee’s loss of earnings between the dismissal and the Industrial Tribunal hearing and the likely future loss of earnings, pension rights etc, up to a maximum figure of ***£68,400** from February 2011 - **subject to annual revision*. There is no limit where the employee is dismissed unfairly or selected for redundancy for reasons connected with health and safety matters

or public interest disclosure ('whistle-blowing'). For further information see: Guide to the Public Interest Disclosure (Northern Ireland) Order 1998 (as amended January 2007) Where a re-employment order is made but not complied with the maximum limit on the compensatory award may be exceeded if the sum of the compensatory award and additional award (see below) would otherwise be less than the arrears of pay element of the original award with which the employer failed to comply.

Additional Award

If an Industrial Tribunal orders the employer to re-employ the employee, and if the employer does not comply, the Industrial Tribunal may make an additional award on top of the basic and compensatory awards. The additional award will be between 26 and 52 weeks' pay - subject to the *£400 limit on a week's pay. Minimum 26 weeks' pay or *£10,400 whichever is the lower. Maximum 52 weeks' pay *£20,800.

**** All Limits of Payments are subject to annual revision***

Breach of Contract

Where an employee makes a breach of employment contract claim to an Industrial Tribunal (or an employer makes a counter claim) the maximum amount that may be awarded in respect of that claim (for a number of claims arising from the same breach of contract) is *£25,000. For further information - see '**Contracts of employment: changes, breach of contract and deductions from wages**' ER21. **** All Limits of Payments are subject to annual revision.***

Resolving Disputes in the Workplace

Where there is a dispute about a workplace issue involving rights and responsibilities those involved should try to sort out the matter between themselves. Whether the employee is complaining (raising a grievance) about something the employer has done or the employer has concerns about the employee's work or behaviour (a disciplinary matter) it is generally a good idea to talk the matter over informally and try to get it resolved as soon as possible.

If this approach fails it is normal to involve line management and a trade union representative (where there is one) to explore potential solutions. If the dispute goes beyond this point without being resolved, employers and employees should engage in a formal process to ensure that the workplace dispute is properly discussed. Even at this stage it can be useful to seek outside assistance or advice from the Labour Relations Agency (LRA). The LRA may be able to help resolve the dispute.

If the dispute continues and the employee or the employer fails to follow the process this could influence the outcome of a subsequent claim to an Industrial Tribunal or a Fair Employment Tribunal. However, where a dispute is likely to result in a claim being made to an Industrial Tribunal, parties to a

dispute should note that the LRA offers a free and impartial Pre-claim Conciliation Service that is independent of the Tribunal process.

Advice about employment rights and what to do in the event of a dispute can be obtained from the LRA by contacting their helpline: **028 9032 1442**.

Appendix 1: Booklets in this series

Booklets in this series are available online from www.delni.gov.uk/erbooklets or can be obtained by contacting the Department.

ER 1	Individual rights and responsibilities of employees
ER 2	Written statement of employment particulars
ER 3	Redundancy entitlement statutory rights
ER 4	Redundancy consultation and notification
ER 5	Your rights if your employer is insolvent
ER 6	Unjustifiable discipline by a trade union
ER 7	Time off for public duties
ER 8	Continuous employment and a week's pay
ER 10	Suspension from work on medical or maternity grounds
ER 12	Pay statements: what they must itemise
ER 13	Unfairly dismissed?
ER 14	Guarantee payments
ER 15	Rights to notice and reasons for dismissal
ER 16	Maternity rights: a guide for employers and employees
ER 17	Help with meeting redundancy costs for employers in financial difficulty
ER 18	Dismissal: fair and unfair - a guide for employers
ER 19	Limits on payments and awards
ER 21	Contracts of employment: changes, breach of contract and deductions from wages
ER 22	Criminal records and employment
ER 23	Payment of union subscriptions through "check off"
ER 24	Time off for dependants
ER 25	Parental leave: a guide for employers and employees
ER 26	Time off for study or training

- ER 27** Industrial action and the law: a guide for employees
- ER 28** Trade union executive elections
- ER 29** Industrial action and the law: a guide for employers
- ER 30** Industrial action and the law: a guide for individuals whose supply of goods or services is affected by unlawful industrial action
- ER 31** Union membership: rights of members and non-members
- ER 33** Trade union political funds
- ER 34** Rights to paternity leave and pay
- ER 35** Adoptive parents: a guide for employers and employees
- ER 36** Flexible working: a guide for employers and employees

Additional employment rights publications, covering a range of other issues, can be found online at www.delni.gov.uk/erpublications or can be obtained from the Department.

Appendix 2: Useful addresses

Certification Officer for Northern Ireland

10-12 Gordon Street
Belfast
BT1 2LG

Tel: 028 9023 7773
Fax: 028 9023 2271
Textphone: 028 9023 8411
Website: www.nicertoffice.com
E-mail: info@nicertoffice.com

Department for Employment and Learning

Redundancy Payments Service
Room 203
Adelaide House
39-49 Adelaide Street
Belfast
BT2 8FD

Tel: 028 9025 7956
Freephone: 080 0585 811
Fax: 028 9025 7555
Website: www.redundancyni.gov.uk
E-mail: rpsquery@delni.gov.uk

The Health and Safety Executive for Northern Ireland

83 Ladas Drive
Belfast
BT6 9FR

Tel: 028 9024 3249
Fax: 028 9023 5383
Textphone: 028 9054 6896
Freephone Helpline: 080 0032 0121
Website: www.hseni.gov.uk

Department for Employment and Learning

Employment Relations Policy and Legislation Branch
Room 203
Adelaide House
39-49 Adelaide Street
Belfast
BT2 8FD

Tel: 028 9025 7580
Website: www.delni.gov.uk/er
E-mail: erbooklets@delni.gov.uk

The Equality Commission for Northern Ireland

Equality House
7-9 Shaftesbury Square
Belfast
BT2 7DP

Tel: 028 9050 0600
Fax: 028 9033 1544
Textphone: 028 9050 0589
Website: www.equalityni.org
E-mail: information@equalityni.org

Industrial Court

Room 203
Adelaide House
39-49 Adelaide Street
Belfast
BT2 8FD

Tel: 028 9025 7599
Fax: 028 9025 7555
Website: www.industrialcourt.gov.uk
E-mail: enquiries@industrialcourt.gov.uk

Labour Relations Agency

Head Office
2-8 Gordon Street
Belfast
BT1 2LG

Tel: 028 9032 1442

Fax: 028 9033 0827

Textphone: 028 9023 8411

Website: www.lra.org.uk

E-mail: info@lra.org.uk

NIBusiness Info

(website giving information on a wide range of issues for employers)

Website: www.nibusinessinfo.co.uk

Labour Relations Agency

Regional Office
1-3 Guildhall Street
Londonderry
BT48 6BJ

Tel: 028 7126 9639

Fax: 028 7126 7729

Textphone: 028 9023 8411

Website: www.lra.org.uk

E-mail: info@lra.org.uk

**Office of the Industrial Tribunals
and the Fair Employment Tribunal**

Killymeal House
2 Cromac Quay
Ormeau Road
Belfast
BT7 2JD

Tel: 028 9032 7666

Fax: 028 90250100

Website: www.employmenttribunalsni.org

people:skills:jobs:



Department for
**Employment
and Learning**
www.delni.gov.uk



INVESTOR IN PEOPLE

THE DEPARTMENT:

Our aim is to promote learning and skills, to prepare people for work and to support the economy.

This document is available in other formats upon request.

Further information:

Telephone: 028 9025 7580

E-mail: employment.rights@delni.gov.uk

Website: www.delni.gov.uk