

HANDY FACT CARD

2021-2022

Compensation limits

Most types of compensation in employment law are subject to statutory limits, which change each year.

As from 6 April 2021 the main limits are:

Complaint	Limit on week's pay	Maximum award
Unfair dismissal		
- Basic award	£544	£16,320
- Compensatory award	Unlimited	The lower of £89,493 or 52 weeks' pay
- Additional award for failure to reinstate	£544	Minimum £14,144 (26 weeks' pay) Maximum £28,288 (52 weeks' pay)
Certain automatically unfair dismissals: e.g. health & safety or whistleblowing		
- Basic award	£544	£16,320 (minimum of £6,634 for health & safety and certain others)
- Compensatory award	Unlimited	Unlimited
Redundancy pay	£544	£16,320
Failure to conduct collective consultation (protective award)	Unlimited	90 days' pay
Discrimination	Unlimited	Unlimited
Dismissal for trade union reasons		
- Basic award	£544	£16,320 subject to a minimum of £6,634
- Compensatory award	Unlimited	The lower of £89,493 or 52 weeks' pay
Guarantee pay (no work provided)	£30 (per day)	£150 or 5 days in any 3 month period
Contractual claims when brought in Employment Tribunal	Unlimited	£25,000

Pensions Auto-enrolment from 6 April 2021

For eligible jobholders from age 22 up to the state pension age:

Earnings trigger	Lower qualifying earnings	Upper qualifying earnings	Minimum employer contribution	Minimum employee contribution
£10,000	£6,240	£50,270	3%	5%

Redundancy calculation

The right to redundancy pay starts when the employee has completed 2 years' employment. For each completed year of employment use the following multiplier:

Age of employee	Multiplier
Under the age of 22	½ x week's pay
Between 22 nd and 41 st birthday	1 x week's pay
41 st birthday onwards	1 ½ x week's pay
<ul style="list-style-type: none"> The 'week's pay' is an actual week's gross pay up to a maximum of £544. The multiplier is subject to a maximum of 30 weeks. 	

National minimum wage

Rate	Pay from 1 April 2021
National living wage rate (23 and over)	£8.91 per hour
Adult rate (21-22)	£8.36 per hour
Development rate (18-20)	£6.56 per hour
Youth rate (16-17)	£4.62 per hour
Apprentice rate (under 19 or in the first year of apprenticeship)	£4.30 per hour

Statutory notice

Section 86 ERA 1996 length of employment	Notice to employee by employer
Under 1 month	No statutory notice requirement
1 month to 2 years	1 week
2 years to 12 years	1 week for each completed year of employment
12 years or more	12 weeks

Notice by employee to employer is 1 week after 1 month's employment.

Family friendly leave and pay (statutory)

Type of leave	Service requirement	Length of leave
Maternity	None	52 weeks
Paternity (including adoption)	• 26 weeks' service*	2 weeks taken within 56 days of birth or adoption
Adoption	None	52 weeks
Shared parental (including adoption)	<ul style="list-style-type: none"> • 26 weeks' service* • Both parents satisfy earnings test • Mother/adopter entitled to ML, AL, SMP, SAP, or MA which she has curtailed (or returned to work) 	52 weeks for one parent, or shared if both eligible, less any Maternity leave or Adoption Leave (or pay) already taken
Parental bereavement (wide definition of parent)	None	2 weeks taken within 56 weeks of child's death or stillbirth after 24 weeks of pregnancy

Type of pay	Basic eligibility requirements	Amount
Maternity	<ul style="list-style-type: none"> • 26 weeks' service* • AWE** of at least £120 for the last 8 weeks* 	<ul style="list-style-type: none"> • 90% of AWE** for 6 weeks • The lower of £151.97 or 90% of AWE** for next 33 weeks
Paternity (including adoption)	<ul style="list-style-type: none"> • Service as for paternity leave • AWE** of at least £120 for the last 8 weeks* 	The lower of £151.97 or 90% of AWE** for up to 2 weeks
Adoption	<ul style="list-style-type: none"> • 26 weeks' service*, • AWE** of at least £120 for the last 8 weeks* 	<ul style="list-style-type: none"> • 90% of AWE** for 6 weeks • The lower of £151.97 or 90% of AWE** for following 33 weeks
Shared parental (including adoption)	<ul style="list-style-type: none"> • 26 weeks' service* • AWE** of at least £120 for the last 8 weeks* • Mother/adopter entitled to SMP, SAP, or MA which she has curtailed 	The lower of £151.97 or 90% of AWE** for up to 39 weeks for one parent, or shared if both eligible, less any SMP, SAP or MA already taken
Parental bereavement (wide definition of parent)	<ul style="list-style-type: none"> • 26 weeks' service ending in the week before the child's death or stillbirth after 24 weeks of pregnancy • AWE** of at least £120 in the 8 weeks ending the week before the child dies 	The lower of £151.97 or 90% of AWE** in the 8 weeks prior to the last normal payday before the child's death for up to 2 weeks

* At the end of the relevant week which is:

- For childbirth, the 15th week before the Expected Week of Confinement (EWC)
- For adoption, the week the adopter is notified of the adoption match

**AWE = Average Weekly Earnings

Qualification period and time limits

Complaint	Qualifying period	Time limit to bring claim*
Dismissal		
Written reasons for dismissal	2 years	3 months starting from EDT
Unfair dismissal	2 years (but reduced to none or 1 month in certain cases)	3 months starting from EDT
Automatically unfair dismissal eg pregnancy, whistleblowing, leave for family reasons, health and safety etc	None	3 months starting from EDT
Redundancy payment	2 years	6 months from relevant date
Failure to conduct collective consultation (protective award)	None	Before the date on which the last dismissal takes effect or 3 months starting with that date
Discrimination		
Discrimination	None	3 months from date last act complained of
Equal pay	None	Employment Tribunal – 6 months from last day of employment Civil Court – 6 years from alleged breach
Miscellaneous		
Guarantee pay	1 month	3 months starting from date when payment was payable
Written particulars of employment	None**	3 months starting from date employment ceased
Contract claim	None	Employment Tribunal – 3 months from EDT or last day worked Civil Court – 6 years from alleged breach

EDT = Effective Date of Termination

* These periods may be extended for early conciliation or by the Employment Tribunal

**Organisations must provide written particulars to employees and workers by day one of the job.

We can help with:

- Disciplinary and dismissal matters
- Redundancy and reorganisation
- Transfer of undertakings (TUPE)
- Trade union rights and industrial action
- Contracts for services
- Employment contracts and staff handbooks
- Data protection and GDPR/UK GDPR
- Subject access requests
- Absence management
- Grievances
- Health and safety rights
- Furlough and COVID-19 issues
- Equal opportunities, equal pay and gender pay reporting
- Discrimination
- Family friendly rights
- Whistleblowing
- Employment Tribunal claims and advocacy
- Settlement agreements
- Taxation of termination payments (including PENP)
- Protecting confidential information
- Enforcement of restrictive covenants
- Resourcing and outsourcing
- Business immigration
- Pensions
- Training

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