

Employment Law - The Facts!

- The basic award for **unfair dismissal** is currently **£10,500** with the compensatory element being up to **£66,200** except in the case of discrimination, health & safety or whistleblowing, where it can be unlimited.
- From 29 February 2008 there is a new civil penalty of up to **£10,000** for employers of **illegal workers**.
 - Also, the Act introduced a new criminal offence of employing a person knowing that they are not legally entitled to work in the UK. The sanction is up to **2 year imprisonment or an unlimited fine**.
- From April 2009 HMRC introduced automatic penalties for those who do not comply with the **National Minimum Wage** (NMW). Employers who fail to pay the minimum wage will now face automatic financial penalties and the most serious cases could face **unlimited penalties**.
- Most claims for **discrimination** in recruitment have no maximum limit. Can your business afford compensation of perhaps **£20,000** because you made a simple mistake?
 - For claims involving sex, race or disability discrimination, there is no limit. Very often, the discrimination is completely accidental. Advertising for jobs is a particular minefield.
- Britain's **Employment Tribunals** receive nearly 100,000 applications every year. Every single one cost an employer time and money, which they can never recover. Figures show that the average cost is just over **£2,000** per claim.
 - However, tribunals can – and do – order a business to pay an employee up to **£50,000**. Usually, the employer has simply not followed the correct procedures.
- A survey by law firm Pinsent Masons found that **84%** of employers who said they were considering **redundancies** in the coming six months were unaware of the correct length of time required to consult with employees

