

# Employment Alert

## New compensation limits for dismissals on or after 1 February 2006

The annual increase in the amount Employment Tribunals can award takes effect from today, 1<sup>st</sup> February 2006.

For dismissals that take effect on or after 1 February 2006, the amount of compensation that can be awarded is as follows:-

*The maximum compensation for unfair dismissal is to be increased from £56,800 to **£58,400**.*

*The maximum amount of a "week's pay" (for calculating statutory redundancy pay or the basic award for unfair dismissal) is to be increased from £280 to **£290**.*

For claims for dismissals before 1 February 2006, the old limits will apply, however, if someone is working out their notice period which expires on or after 1 February, then the new limits will apply.

If you have any questions regarding the above, or require information on the other changes then please do not hesitate to contact Lara Crane or Sejal Raja.

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Readers are advised to take specific advice before acting in reliance on the matters set out in this briefing. If you have any queries on any of the subjects raised in this email, or on any other subject relating to employment law, then please do not hesitate to contact Sejal Raja at [sejal.raja@rlb-law.com](mailto:sejal.raja@rlb-law.com) or telephone 020 7227 7410 or Lara Crane on 020 7227 7478 or [lara.crane@rlb-law.com](mailto:lara.crane@rlb-law.com)