

BARGATE MURRAY EMPLOYMENT FOCUS



Key changes to Employment Law in April 2012

Philip Henson, Partner in the City of London law firm **Bargate Murray** highlights some of the key changes to employment law from April 2012.

Changes from April 2012

This focus document highlights the key changes that the government intends to bring into force to employment law in 2012, many of which have received extensive publicity in the media.

Unfair dismissal qualifying period to be increased

The qualifying period for unfair dismissal claims will be increased from one to two years. Further details are expected shortly to explain whether the new qualifying period will apply to existing employees or only to new joiners. There will continue to be no qualifying period for discrimination claims and whistleblowing claims.

Employment tribunals

- **Cost awards.** The maximum amount of costs a tribunal can award (without referring the case to the county court for detailed assessment) will increase from £10,000 to £20,000.
- **Judges to sit alone on unfair dismissal cases.** Unfair dismissal cases in the tribunal will be heard by a judge sitting alone without lay members.
- **Push for Mediation.** The government will undertake a "long term reform programme" to increase the use of mediation to resolve disputes.
- **Witnesses.** Tribunals will be given powers to direct parties to bear the costs of witness attendance, including the costs of witnesses called by the successful party; and the government will withdraw state-funded expenses.

Statutory benefits

The proposed rates of statutory benefits, which will apply from early April 2012, are:

- The standard rates for statutory maternity pay, statutory paternity pay and statutory adoption pay will increase from £128.73 to £135.45. The weekly earnings threshold for these payments will rise from £102 to £107.
- Statutory sick pay will increase from £81.60 to £85.85, with the weekly earnings threshold also rising from £102 to £107.

- Maternity allowance will increase from £124.88 to £135.45, with the earnings threshold remaining at £30.

Financial penalties for employers

- The government intends to introduce financial penalties (at the employment tribunal's discretion) for employers who lose at an employment tribunal. The penalties are expected to equate to half of the total award made by the employment tribunal, with a minimum threshold of £100 and a maximum cap of £5,000 – which will be reduced by 50% if paid within 21 days.

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If you would like to discuss how **Bargate Murray** can help your business please get in touch.

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