

Demotion: A One-Off Act With Continuing Consequences, or a Continuing Act?

In *Parr v MSR Partners LLP and others*, we discuss what the Court of Appeal was asked to consider a preliminary issue.

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In *Parr v MSR Partners LLP and others*, the Court of Appeal was asked to consider a preliminary issue: was the Claimant's discrimination claim presented in or out of time? This question turned on whether the act of de-equitisation - moving from an equity to an ordinary partner, an act classified by the Tribunal as a demotion – as an alternative to compulsory retirement, was a one-off act with continuing financial consequences, or a continuing act. If it was the former, the claim had been presented out of time. The Employment Tribunal initially viewed this as a continuing act as the retirement rules remained in place; this decision was overturned on appeal to the Employment Appeal Tribunal. The CoA has now upheld the EAT's decision confirming that the "demotion" was a one-off act, albeit one with continuing financial consequences. The CoA highlighted that, had the Claimant been dismissed, rather than demoted, then his dismissal would have been a one-off act with continuing consequences; there was "no logical reason" why a demotion should be treated any differently simply because the Claimant and Respondent remained in a contractual relationship. The claim will now return to the Employment Tribunal to consider whether it would be just and equitable to extend the time limit for presentation of the claim.

Given the tight time limits that apply for employment tribunal claims, being able to identify the date by which claims should be brought is important for employees and employers alike; this case provides helpful clarification (including examples in practice) of the distinction between one-off and continuing acts.

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