

Annual Increase in Compensation Limits and Statutory Payments in employment

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18 March 2022

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Compensation Limits

Maximum unless stated	6 April 2021	6 April 2022
Week's pay (basic award/redundancy payment)	£544	£571
Compensatory award for unfair dismissal (statutory cap)*	£89,493	£93,878
Statutory redundancy payment: up to 30 weeks' pay	£16,320	£17,130
Unfair dismissal basic award: up to 30 weeks' pay	£16,320	£17,130
Breach of right to be accompanied: up to 2 weeks' pay	£1,088	£1,142
Breach of flexible working regulations: up to 8 weeks' pay	£4,352	£4,568
Failure to give written particulars of employment: 2 or 4 weeks' pay	2 weeks: £1,088	2 weeks: £1,142
	4 weeks: £2,176	4 weeks: £2,284

*The statutory cap does not apply where the reason for the dismissal was that the Claimant was carrying out health and safety activities, made a protected disclosure, or was selected for redundancy for one of these reasons. This remains unchanged and the compensatory award in these circumstances remains uncapped.

There will be no changes in relation to compensation for a failure to inform and consult for collective redundancy or a TUPE transfer in 2022-2023.

Employment related payments

In addition to the above, as of 3 April 2022 ([in relation to family-friendly rights](#)) and 6 April 2022 (in respect of statutory sick pay), there will also be an increase in statutory payments for time off work as set out below:

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Maternity/adoption pay prescribed rate (33 weeks maximum)	£151.97 (each week)	£156.66 (each week)
Paternity pay (2 weeks ordinary paternity pay)	£151.97 (each week)	£156.66 (each week)
Shared parental pay (39 weeks, less any weeks spent by the child's mother or adopter in receipt of SMP, MA or SAP)	£151.97 (each week)	£156.66 (each week)
Statutory sick pay	£96.35 (each week)	£99.35 (each week)

National Minimum Wage rates are also due to increase from 1 April 2022.

The new rates can be found [here](#).

It is important to ensure that you are prepared for the upcoming increases in respect of the national minimum wage, and any other statutory payments that may be applicable to your staff (such as statutory sick pay or maternity / adoption pay) by April 2022 to avoid any issues, and possibly claims from your employees with regards to being paid incorrectly. In addition, whilst the changes to compensation rates may not impact you immediately, it is important to bear in mind that the amount of compensation that could be awarded in the event that one of your employees brings a successful claim is significant, particularly in cases where compensation is uncapped. It is therefore important to ensure you get things right at the outset.

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