

1977 No. 2031

TERMS AND CONDITIONS OF EMPLOYMENT

The Employment Protection (Variation of Limits) Order 1977

Laid before Parliament in draft

Made - - - - 6th December 1977

Coming into Operation 1st February 1978

Whereas, in accordance with section 86 of the Employment Protection Act 1975(a) ("the 1975 Act") the Secretary of State has reviewed—

- (a) the limits referred to in section 25 of the 1975 Act;
- (b) the limit referred to in section 64(5) of the 1975 Act; and
- (c) the limits imposed by paragraph 5(4) of Schedule 1 to the Redundancy Payments Act 1965(b) as amended(c) ("the 1965 Act") and by sections 72(8) and 75(4) of the 1975 Act on the amount of a week's pay for the purposes of those provisions:

And whereas the Secretary of State having had regard to the considerations mentioned in section 86(2) of the 1975 Act has determined that certain of those limits shall be varied as hereinafter provided:

And whereas a draft of the following Order was laid before Parliament in accordance with section 86(3) of the 1975 Act and approved by resolution of each House of Parliament:

Now, therefore, the Secretary of State, in exercise of the powers conferred on him by paragraph 5(5) of Schedule 1 to the 1965 Act, by sections 25(5), 64(6), 75(5) and (6), 86 and 123(3) of the 1975 Act and of all other powers enabling him in that behalf hereby makes the following Order:—

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Employment Protection (Variation of Limits) Order 1977 and shall come into operation on 1st February 1978.

(2) The Interpretation Act 1889(d) shall apply to the interpretation of this Order as it applies to the interpretation of an Act of Parliament.

(a) 1975 c. 71.

(b) 1965 c. 62.

(c) The relevant amendment is paragraph 21 of Part I of Schedule 16 to the Employment Protection Act 1975.

(d) 1889 c. 63.

Variation of Limits

2. Subject to Article 3 below, each limit specified in columns 1 and 2 of the table below is varied by the substitution of the new figure in column 3 for the old figure in column 4.

<i>Column 1</i> Provision	<i>Column 2</i> Nature of Limit	<i>Column 3</i> New figure	<i>Column 4</i> Old figure
1. Section 25(1) of the 1975 Act.	Limit on amount of guarantee pay payable to an employee in respect of any day.	£6.60	£6.00
2. Section 64(5) of the 1975 Act.	Limit on amount payable to an employee in respect of any debt mentioned in section 64(3) of the 1975 Act where that debt is referable to a period of time.	£100.00	£80.00
3. Paragraph 5(4) of Schedule 1 to the 1965 Act.	Limit on amount of "a week's pay" for the purpose of calculating redundancy payment.	£100.00	£80.00
4. Section 72(8) of the 1975 Act.	Limit on amount of "a week's pay" for the purpose of calculating additional award of compensation where employer fails to comply with order for reinstatement or re-engagement under section 71 of the 1975 Act.	£100.00	£80.00
5. Section 75(4) of the 1975 Act.	Limit on amount of "a week's pay" for the purpose of calculating basic award of compensation for unfair dismissal under sections 74 and 75 of the 1975 Act.	£100.00	£80.00

Supplementary and transitional provisions

3.—(1) The variation specified in item 1 of the table in Article 2 above shall have effect as respects any day after this Order comes into operation.

(2) The variation specified in item 2 of the table in Article 2 above shall have effect where the insolvency (within the meaning of section 64 of the 1975 Act) occurs after this Order comes into operation.

(3) The variation specified in item 3 of the table in Article 2 above shall have effect—

- (a) as respects a lay-off or a keeping on short time where the relevant date (as defined in section 6(2) of the 1965 Act) falls after this Order comes into operation; and
- (b) as respects a dismissal where the relevant date for the purposes of paragraph 5(7) of Schedule 1 to the 1965 Act falls after this Order comes into operation.
- (4) The variation specified in item 4 of the table in Article 2 above shall have effect as respects an employer's failure to comply with an order for reinstatement or re-engagement where the date (specified under section 71(3)(c) or, as the case may be, section 71(5)(f) of the 1975 Act) by which the order must be complied with falls after this Order comes into operation.
- (5) The variation specified in item 5 of the table in Article 2 above shall have effect where the effective date of termination as defined in paragraph 5(5) or, where applicable, paragraph 5(6) of Schedule 1 to the Trade Union and Labour Relations Act 1974(a) as amended(b) falls after this Order comes into operation.

6th December 1977.

Albert Booth,
Secretary of State for Employment.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order, which comes into operation on 1st February 1978, varies certain of the limits which are required to be reviewed annually by the Secretary of State under section 86 of the Employment Protection Act 1975. The limit on the amount of guarantee pay payable under section 25(1) of the 1975 Act in respect of any day is increased from £6.00 to £6.60. The limit on the amount for the purpose of calculating the sum payable by the Secretary of State under section 64 of the 1975 Act in respect of a debt due to an employee whose employer becomes insolvent is increased from £80 to £100. The limits on the amount of "a week's pay" for the purposes of calculating redundancy payments and basic and additional awards of compensation for unfair dismissal are likewise increased from £80 to £100.

(a) 1974 c. 52.

(b) The relevant amendment is paragraph 10 of Part III of Schedule 16 to the Employment Protection Act 1975.

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