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STATUTORY INSTRUMENTS

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1986 No. 2284

**TERMS AND CONDITIONS OF EMPLOYMENT**

**The Unfair Dismissal (Increase of Compensation Limit)  
Order 1986**

*Laid before Parliament in draft*

*Made* - - - 18th December 1986

*Coming into Operation* 1st April 1987

Whereas a draft of the following Order was laid before Parliament in accordance with section 75(2) of the Employment Protection (Consolidation) Act 1978(a) ("the 1978 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 sections 75(2), 154(3) and 154(4) of the 1978 Act and all other powers enabling him in that behalf, hereby makes the following Order:—

*Citation, commencement and revocation*

1.—(1) This Order may be cited as the Unfair Dismissal (Increase of Compensation Limit) Order 1986 and shall come into operation on 1st April 1987.

(2) Subject to Article 4(2), the Unfair Dismissal (Increase of Compensation Limit) Order 1984(b) ("the 1984 Order") is revoked.

*Interpretation*

2. In this Order, "effective date of termination" has the same meaning as in section 55(4) of the 1978 Act except in a case in which section 55(5) or (6) of the Act would have effect so as to treat a later date as the effective date of termination, in which case that later date shall be the effective date of termination for the purposes of this Order.

*Increase of compensation limit*

3. Subject to Article 4, the limit on compensation specified in section 75(1) of the 1978 Act (c) is increased to £8,500.

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(a) 1978 c.44; section 55 was amended by section 21(2) of and paragraph 1 of Schedule 3 to the Employment Act 1982 (c.46).

(b) S.I. 1984/2020.

(c) The limit of compensation specified in section 75(1) of the 1978 Act was increased from £5,200 to £5,750 by S.I. 1978/1778, from £5,750 to £6,250 by S.I. 1979/1723, from £6,250 to £7,000 by S.I. 1982/76, from £7,000 to £7,500 by S.I. 1982/1868 and from £7,500 to £8,000 by S.I. 1984/2020.

*Transitional provisions*

4.—(1) The increase specified in Article 3 shall have effect where the effective date of termination falls on or after 1st April 1987.

(2) Notwithstanding the revocation of the 1984 Order, the limits of compensation set by, or, as the case may be, preserved by, Articles 3 and 4 of that Order shall continue to have effect as provided by that Order where the effective date of termination falls before 1st April 1987.

Signed by order of the Secretary of State.

*John Lee,*  
Parliamentary Under Secretary of State,  
Department of Employment.

18th December 1986.

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EXPLANATORY NOTE

*(This Note is not part of the Order.)*

This Order, which comes into operation on 1st April 1987, increases from £8,000 to £8,500 the limit on the amount of compensation which can be awarded by an industrial tribunal in claims for unfair dismissal as the compensatory award or as compensation for failure fully to comply with the terms of an order for reinstatement or re-engagement.