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STATUTORY INSTRUMENTS

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**1991 No. 466**

**TERMS AND CONDITIONS OF EMPLOYMENT**

**The Unfair Dismissal (Increase of  
Compensation Limit) Order 1991**

*Made* - - - - *4th March 1991*  
*Coming into force* - - *1st April 1991*

Whereas a draft of the following Order was laid before Parliament in accordance with section 75(2) of the Employment Protection (Consolidation) Act 1978(1) (“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 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 Unfair Dismissal (Increase of Compensation Limit) Order 1991 and shall come into force on 1st April 1991.

(2) Subject to article 3(2), the Unfair Dismissal (Increase of Compensation Limit) Order 1989(2) (“the 1989 Order”) is revoked.

**Increase of limits**

2. Subject to article 3, the limit of compensation specified in section 75(1) of the 1978 Act is increased to £10,000.

**Transitional provisions**

3.—(1) The increase specified in article 2 shall have effect where the appropriate date falls on or after 1st April 1991.

(2) Notwithstanding the revocation of the 1989 Order, the limits set by or, as the case may be, preserved by articles 2 and 3 of that Order shall continue to have effect as provided by that Order where the appropriate date falls before 1st April 1991.

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(1) 1978 c. 44.

(2) S.I. 1989/527; this Order last increased the limit in section 75(1) of the 1978 Act previous Orders increasing the limit in that section were S.I. 1978/1778, 1979/1723, 1982/76, 1868, 1984/2020 and 1986/2284.

- (3) In this article, “the appropriate date” means—
- (a) in the case of a complaint presented under section 67 of the 1978 Act (complaint of unfair dismissal), the effective date of termination;
  - (b) in the case of a complaint presented under section 4 of the Employment Act 1980<sup>(3)</sup> (complaint of unreasonable exclusion or expulsion from a trade union), the date of the refusal of the application for, or of the expulsion from, membership, as the case may be;
  - (c) in the case of a complaint presented under section 4 of the Employment Act 1988<sup>(4)</sup> (complaint of unjustifiable discipline by a trade union), the date of the determination which the individual claims constituted an infringement of his right;
  - (d) in the case of a complaint presented under section 63 of the Sex Discrimination Act 1975<sup>(5)</sup> or under section 54 of the Race Relations Act 1976<sup>(6)</sup>, the date on which the act complained of was done;
  - (e) in the case of a complaint presented under section 1(2) or section 2(2) of the Employment Act 1990<sup>(7)</sup>, (refusal of employment on grounds related to union membership and refusal of service of employment agency on grounds related to union membership) the date of the conduct, (as determined by paragraph 3 of Schedule 1 to the Employment Act 1990) to which the complaint relates;

and “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 that Act<sup>(8)</sup> 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 for the purposes of this article.

Signed by order of the Secretary of State.

*Eric Forth*  
Parliamentary Under Secretary of State,  
Department of Employment

4th March 1991

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(3) 1980 c. 42.

(4) 1988 c. 19.

(5) 1975 c. 65.

(6) 1976 c. 74.

(7) 1990 c. 38.

(8) Section 55(5) was amended, and section 55(6) inserted, by section 21(2) of and paragraph 1 of Schedule 3 to the Employment Act 1982 (c. 46).

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order, which comes into force on 1st April 1991, increases from £8,925 to £10,000 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. The increase also affects the maximum amount of compensation that shall be awarded by a tribunal:—

- (i) under section 65 of the Sex Discrimination Act 1975 in respect of a complaint under section 63 of that Act;
- (ii) under section 56 of the Race Relations Act 1976 in respect of a complaint under section 54 of that Act;
- (iii) under section 5 of the Employment Act 1980 in respect of a complaint under section 4 of that Act (unreasonable exclusion or expulsion from a trade union);
- (iv) under section 5 of the Employment Act 1988 in respect of a complaint under section 4 of that Act (unjustifiable discipline by a trade union); and
- (v) under Schedule 1 to the Employment Act 1990 in respect of complaints under sections 1 and 2 of that Act (refusal of employment on grounds related to union membership and refusal of service of employment agency on grounds related to union membership).

The Order contains transitional provisions.