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## SCHEDULES

### SCHEDULE 6

#### COMPROMISE CONTRACTS

##### *Wages Act 1986 (c. 48)*

- 3 In section 6 of the Wages Act 1986 (remedies for Part I contraventions and restriction on contracting out)—
- (a) in subsection (3) after the words “apply to” there shall be inserted “(a)” and at the end of the words so constituted paragraph (a) there shall be inserted the words “; or
  - (b) an agreement to refrain from presenting or continuing with a complaint if the conditions regulating compromise agreements under this Part of this Act are satisfied in relation to the agreement”; and
  - (b) after subsection (3) there shall be inserted—
    - “(4) The conditions regulating compromise agreements under this Part of this Act are that—
      - (a) the agreement must be in writing;
      - (b) the agreement must relate to the particular complaint;
      - (c) the worker must have received independent legal advice from a qualified lawyer as to the terms and effect of the proposed agreement and in particular its effect on his ability to pursue his complaint before an industrial tribunal;
      - (d) there must be in force, when the adviser gives the advice, a policy of insurance covering the risk of a claim by the worker in respect of loss arising in consequence of the advice;
      - (e) the agreement must identify the adviser; and
      - (f) the agreement must state that the conditions regulating compromise agreements under this Part of this Act are satisfied.
    - (5) In subsection (4)—
      - “independent”, in relation to legal advice to the worker, means that it is given by a lawyer who is not acting in the matter for the employer or for a person who is connected with the employer; and
      - “qualified lawyer” means—
        - (a) as respects proceedings in England and Wales—
          - (i) a barrister, whether in practice as such or employed to give legal advice, or

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- (ii) a solicitor of the Supreme Court who holds a practising certificate;
  - (b) as respects proceedings in Scotland—
    - (i) an advocate, whether in practice as such or employed to give legal advice, or
    - (ii) a solicitor who holds a practising certificate.
- (6) For the purposes of subsection (5) any two persons are to be treated as “connected” if one is a company of which the other (directly or indirectly) has control, or if both are companies of which a third person (directly or indirectly) has control.”.