
EXPLANATORY NOTE

(This note is not part of the Order)

This Order increases, from 1st February 2011, the limits applying to certain awards of employment tribunals, and other amounts payable under employment legislation, as specified in the Schedule to the Order.

Under section 34(2) of the Employment Relations Act 1999 (“the 1999 Act”), if the retail prices index for September of a year is higher or lower than the index for the previous September, the Secretary of State is required to change the limits, by Order, by the amounts of the increase or decrease (rounded up as specified in section 34(3) of the 1999 Act). The increases made by this Order reflect the increase in the retail prices index of 4.6% from September 2009 to September 2010.

The increases apply where the event giving rise to the entitlement to compensation or other payments occurred on or after 1st February 2011. Limits previously in force under the Employment Rights (Increase of Limits) Order 2008 (S.I. 2008/3055), the Employment Rights (Revision of Limits) Order 2009 (S.I. 2009/3274), and the Work and Families (Increase of Maximum Amount) Order 2009 (S.I. 2009/1903) are preserved by article 4 of the Order in relation to cases where the relevant event was before that date.

A full impact assessment has not been produced for this Order because section 34 of the 1999 Act provides for indexation according to a pre-determined formula linked to the retail prices index.