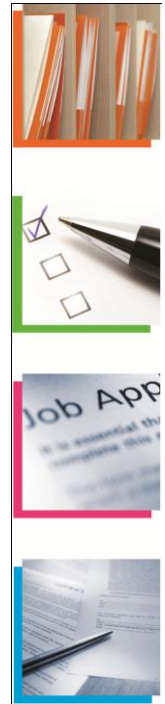


HR Solutions

...providing flexible outsourced support



The True Cost of an Employment Tribunal

UK employers are now spending £1.6 billion a year on employment tribunal claims.

Employment Tribunals

The Employment Tribunals are judicial bodies who determine disputes between employers and employees over employment rights.

The Facts

The average cost for an employer to defend a tribunal claim – regardless of whether they are successful - is £8,500.

The average settlement is £5,400; nearly three-quarters of claims are settled before going to court.

In 2010, over 236,000 employment tribunal claims were issued at a cost of nearly £1.6 billion to UK businesses. Most of which were claims for unfair dismissal, unequal pay or breach of contract.

For organisations struggling with existing employment legislation, this is likely to be a cause for concern. Especially with the number of workplace disputes that end up in court consistently rising year on year.

Organisations that believe they are keeping costs down by not establishing a dedicated HR department or outsourcing their HR requirements are risking their livelihoods on a daily basis.

The Figures – from 1st February 2011

Limit on guarantee payments	£22.20 a day
Limit on a week's pay for calculating redundancy and unfair dismissal basic award.	£400
Maximum basic award for unfair dismissal (30 weeks' pay)	£12,000
Minimum basic award for dismissal on trade union, health and safety, occupational pension scheme trustee, employee representative and on working time grounds only	£5,000
Maximum compensatory award for unfair dismissal	£68,400*
Amount of award for unlawful inducement relating to trade union membership	£3,300
Minimum compensation for employees excluded/expelled from trade union	£7,600
Contract claims (claims for breach of contract (wrongful dismissal) brought in the County Court or Hgh Court can be much higher)	£25,000

*There is no limit where the employee is dismissed unfairly or selected for redundancy for reasons connected with health and safety matters or public interest disclosure (whistleblowing).

Sources

- [The Employment Rights \(Increase of Limits\) Order 2010](#)
- www.cipd.co.uk