

The True Cost of an Employment Tribunal

"UK employers are now spending £210m 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!

Around 30,000 legal actions – most claiming unfair dismissal, unequal pay or sex discrimination – are filed with the employment tribunal service each year, although many of these claims are eventually settled out of court, they still cost companies £7,000 on average, mainly to cover lawyers' fees.

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!

Limit on guarantee payments	£20.40 a day
Limit on a week's pay for calculating redundancy and unfair dismissal basic award.	£330
Maximum basic award for unfair dismissal (30 weeks' pay)	£9,900
Minimum basic award for dismissal on trade union, health and safety, occupational pension scheme trustee, employee representative and on working time grounds only	£4,400
Maximum compensatory award for unfair dismissal	£63,000*
Minimum compensation for employees excluded/expelled from trade union	£6,900
Contract claims (If a claim for breach of contract (wrongful dismissal) is brought in an employment tribunal the most the tribunal can currently award is £25,000. If the claim is for more than £25,000, it can be made in the county court or high court.)	£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).

Source: [BERR 2008](#)