

Thousands rush to beat unfair dismissal deadline

Tim Webb

Employers have been hit with a deluge of unfair dismissal cases as sacked staff rush to bring claims before new restrictions come into place.

According to EMW, a law firm, claims surged by 44 per cent in the third quarter last year to 15,300, compared with 10,600 the previous quarter.

Under proposals due to take effect this summer, under the Government's Enterprise and Regulatory Reform Bill, the compensation that former employees can claim from their employer will be capped. Payouts will be limited to up to one year's pay or £74,200, whichever is lower. This cap is likely to come down further in future.

Fees will also be introduced for the first time in an attempt to restrict the number of spurious cases. Those making a claim will have to pay £250 and a £950 fee if the case goes to a tribunal.

Jon Taylor, principal at EMW, said: "The Government's proposals will significantly limit the advantages of pursuing an unfair dismissal claim against an employer.

"The Government hopes this will reduce 'spurious' claims in future, but the impending deadline has helped to prompt a spike in claims. The in-

coming changes increase the incentive for sacked employees to launch a free unfair dismissal claim now, some will be trying their luck while they still can."

The last-minute rush will place even more pressure on the employment tribunal process, he said. "Working through all these extra claims will add to the pressure already on the employment tribunal process.

"The system is struggling with an ever-growing backlog of cases still to be heard, leaving employers and employees in limbo as they wait for their cases to be resolved."

The Government's previous attempt to reduce the number of claims being made appears to have had little impact.

Last April, the minimum amount of time that a worker had to be employed before they could bring a claim against their company was doubled from one year to two. But, according to an analysis of 100 unfair dismissal cases handled by EMW, only one case was affected by the changes.

Last week, Lord Sugar defeated a claim for constructive dismissal made by the Apprentice winner Stella English. He tweeted afterwards that it was "a victory for the law against the claim culture".



Stella English lost her case