

## **Unfair dismissal compensation to be capped at 12 months' pay**

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THE GOVERNMENT will take forward plans to limit the maximum pay-out employees can win from unfair dismissal cases, it said yesterday.

The move follows consultation on a range of reforms designed to limit the use of costly employment tribunals and give businesses the confidence to hire new staff.

Proposals confirmed yesterday include capping the compensation paid following a successful unfair dismissal case at 12 months of wages, as well as encouraging greater use of template letters.

“Employment tribunals are costly for everyone, in terms of money but also time and stress,” said employment minister Jo Swinson.

“We need to tackle unrealistic expectations about the levels of compensation awards, especially when only 1 in 350 people who make a claim for unfair dismissal receive an award of more than their own salary.”

**Ronnie Fox of City employment law firm Fox welcomed the move but warned many claims “involve allegations of discrimination or whistle-blowing, compensation for which is to remain uncapped”.**