

EMPLOYMENT LAW UPDATE
JULY 2009

This update letter deals with issues relating to redundancy, sickness absence and holiday entitlement.

With effect from 1 October 2009, the Government has confirmed an increase in the weekly limit used to calculate statutory redundancy pay, from £350.00 per week to £380.00 per week. The statutory limit is usually increased in February each year. The Government has announced that it will not rise again in February 2010 and will remain at £380.00 until February 2011. This rate also applies to the basic award calculation for unfair dismissal claims.

Long term sickness absence and/or persistent intermittent sickness absence continues to cause management and procedural difficulties for employers. In particular long term sickness absence, which may require an employer to comply with their obligations under the Disability Discrimination Act 1995.

The Government has launched a consultation on the possible introduction of “fit notes” to replace sick notes during the course of next year. The idea is that an employee’s GP will be able to certify that the employee is: fit for work, not fit for work, and “may be fit for some work now” and also provide opinion as to how the employee can be assisted in returning to work.

The House of Lords in *HM Revenue and Customs v Stringer and ors* ruled that an employee was entitled to payment in lieu of annual leave, even though he was off sick at the time his employment terminated.

Unfortunately the House of Lords did not rule on the suggestion made in a previous European Court of Justice ruling that annual leave accrued by a sick employee cannot be extinguished at the end of the leave year and must be carried over. The position here remains unclear and further developments are expected.

Should you have any questions concerning these issues, or any other employment issue, please contact any member of the employment team at Eaton Ryan & Taylor; Neil Eaton, Andrew Connock and Jill Jack. This note is for guidance only. It should not be regarded as a substitute for taking legal advice from your usual contact at Eaton Ryan & Taylor.

