

## **Explanatory Memorandum to Tynwald Members**

Issued by the Department of Economic Development

**To the Hon Clare Christian, President of Tynwald and the Hon Council and Keys in Tynwald assembled**

### **1. Title of measure**

Employment (Maximum Amount of Awards) Order 2016 (SD 2016/0220)

### **2. Changes in policy**

The Order is consistent with previous policy.

### **3. Effects of the measure**

The Employment Act 2006 provides that, subject to a small number of exceptions, a maximum amount be prescribed for certain other awards made by the Employment Tribunal (such as the compensatory award in unfair dismissal cases). The Order increases the maximum amount from £50,000 to £56,000. This limit also applies to awards under the Employment (Sex Discrimination) Act 2000.

### **4. Reasons for the measure**

The maximum amount was last increased in 2009, that is seven years ago. The maximum amount of an award is based on approximately two years' median earnings, the figure for median earnings having been reported in the Earnings Survey 2015.

### **5. Resource implications**

There are no resource implications.

### **6. Tynwald procedure**

As required by section 175(1) of the Employment Act 2006, this Order will not have effect until it is approved by Tynwald.

Signed ..... on behalf of Department of Economic Development