

Employment tribunals - how to work out your basic award if you are claiming unfair dismissal

If you have been unfairly dismissed, you can claim both a basic award and a compensatory award. This document tells you how to calculate your basic award.

What is the basic award

If a tribunal decides you have been unfairly dismissed, you will get compensation which is made up of:

- a basic award, which is a fixed sum and calculated to a statutory formula
- a compensatory award, which is to compensate you for the actual money you have lost as a result of losing your job.

Get more about information on claiming a compensatory award (/work/problems-at-work/employment-tribunals-from-29-july-2013/employment-tribunals-valuing-a-claim/compensatory-award/employment-tribunals-how-to-work-out-your-compensatory-award-if-you-are-claiming-unfair-dismissal/)

The amount that you can get for your basic award depends on:

- how long you have worked for your employer up to the date of your dismissal
- how old you are at the date of your dismissal
- how much your weekly pay is before tax and national insurance are deducted (known as your gross weekly pay).

How to calculate your basic award

- 1. Work out the date you were dismissed. If you are in any doubt about this, it is safest to take the last day you worked as your date of dismissal.
- 2. Count backwards from this date the number of complete years you have worked for your employer. So if you were dismissed on 24 June 2014, and you started work on 23 June 2012, you have been employed for two complete years
- 3. Calculate the appropriate amount for each of those complete years you have worked.

You cannot count more than 20 years employment when you are doing the calculation, even if you have worked for your employer for longer than 20 years.

If you've worked for your employer for at least 2 years and work regular hours, you can <u>calculate your</u> <u>basic award</u> on GOV.UK - it's the same as statutory redundancy pay.

You can work out how much your basic award will be by adding together:

- 1.5 weeks' pay for each complete year of employment when you were 41 or over
- 1 week's pay for each complete year of employment when you were between the ages of 22 and 40 inclusive
- half a week's pay for each complete year of employment when you were below the age of 22.

If you don't work regular hours, <u>contact your nearest Citizens Advice</u>

(https://cablink.citizensadvice.org.uk/epi/contacts/rdbxsearch.htm).

You usually won't get any basic award if you have less than 1 complete year of employment.

There are some special cases where you get a set minimum basic award. However, they are quite rare as they only apply if you have been working as a health and safety representative, or trade union representative and have been dismissed for this reason.

Is there a maximum for what counts as a week's pay?

There is a maximum amount that can count as a week's pay when you are doing this calculation. If your gross weekly pay is more than £544, you can only claim up to £544 per week.

This amount applies if you were dismissed on or after 6 April 2021.

If you were dismissed on or after 6 April 2020, the amount is £538.

Can your basic award be reduced?

If you are awarded a basic award, the tribunal might reduce it if:

- you have been offered your job back by your employer but have refused to go back. If the tribunal thinks it would have been reasonable for you to go back to your job, it may reduce your basic award
- where the tribunal thinks your conduct has been at fault and it should reduce your award as a result
- where you have received statutory redundancy pay.

If the tribunal thinks your basic award should be reduced because of your conduct

For a tribunal to reduce your basic award because of your conduct, it will have to be sure that you were guilty of misconduct and that this conduct was bad enough to justify reducing your award. Conduct bad enough to mean your basic award is reduced would include things like stealing from your employer, or deliberately breaching health and safety rules and putting colleagues at risk.

So if, for example, you admit stealing from your employer, and you can only claim unfair dismissal because your employer did not follow a completely fair procedure before dismissing you, there is little point in your pursuing your claim. You would not be entitled to a compensatory award because you

are only claiming unfair dismissal for a 'procedural' reason, and your basic award would be reduced because of your behaviour.

Next steps

<u>Claiming a compensatory award (/work/problems-at-work/employment-tribunals-from-29-july-2013/employment-tribunals-valuing-a-claim/compensatory-award/employment-tribunals-how-to-work-out-your-compensatory-award-if-you-are-claiming-unfair-dismissal/)</u>

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