

Statutory Redundancy Pay (Amendment) Bill

CONTENTS

- 1 Linking of statutory redundancy pay to average weekly earnings
- 2 Interpretation
- 3 Short title, commencement and extent

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TO

Provide for a mechanism for statutory redundancy pay which links it to average weekly earnings; and for connected purposes.

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1 Linking of statutory redundancy pay to average weekly earnings

- (1) This section applies to redundancy payments, as specified in section 227(1)(c) of the Employment Rights Act 1996 (c. 18) (maximum amount).
- (2) The Secretary of State must, within twelve months of the day on which this Act comes into force, make regulations providing for—
 - (a) a method of calculation of statutory redundancy pay that links it, in such a manner as the Secretary of State considers appropriate, to average weekly earnings;
 - (b) the regulations to take effect from a date within twelve months of the date on which the regulations are made; and
 - (c) the link to take account, in subsequent years, of an annual comparison of statutory redundancy pay with average weekly earnings.
- (3) Before making regulations under subsection (2) the Secretary of State must—
 - (a) have regard to the desirability of including in the mechanism an annual comparison between the annual rate of change in—
 - (i) average weekly earnings, and
 - (ii) the retail prices index;
 - (b) consult the Confederation of British Industry and the Trades Union Congress.
- (4) Regulations under this section shall be made by statutory instrument.
- (5) Regulations under this section are subject to annulment in pursuance of a resolution of either House of Parliament.

2 Interpretation

In this Act—

“average weekly earnings” means the latest figure for average weekly earnings published by the Office for National Statistics;

“retail prices index” has the meaning given by section 34(5) of the Employment Relations Act 1999 (c. 26). 5

3 Short title, commencement and extent

(1) This Act may be cited as the Statutory Redundancy Pay (Amendment) Act 2009.

(2) This Act comes in to force at the end of the period of one month beginning with the day on which it is passed. 10

(3) This Act extends to England and Wales and Scotland.

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To provide for a mechanism for statutory redundancy pay which links it to average weekly earnings; and for connected purposes.

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*Ordered, by The House of Commons,
to be Printed, 21 January 2009.*

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PUBLISHED BY AUTHORITY OF THE HOUSE OF COMMONS
LONDON – THE STATIONERY OFFICE LIMITED
Printed in the United Kingdom by
The Stationery Office Limited
£x.xx

Bill 12

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