

## SCHEDULE

### ACAS ARBITRATION SCHEME

## XXI. AWARDS OF COMPENSATION

### *The basic amount*

**139.** Subject to the following provisions, the basic amount shall be calculated by:

- (i) determining the period, ending with the effective date of termination (see paragraph 140 below), during which the Employee has been continuously employed (see paragraph 141 below),
- (ii) reckoning backwards from the end of that period the number of years of employment falling within that period, and
- (iii) allowing the appropriate amount (see paragraph 142 below) for each of those years of employment.

**140.** As to the “effective date of termination”:

(i) the “effective date of termination” means:

- (a) in relation to an Employee whose contract of employment is terminated by notice, whether given by his or her Employer or by the Employee, the date on which the notice expires;
- (b) in relation to an Employee whose contract of employment is terminated without notice, the date on which the termination takes effect; and
- (c) in relation to an Employee who is employed under a contract for a fixed term which expires without being renewed under the same contract, the date on which the term expires.

(ii) Where:

- (a) the contract of employment is terminated by the Employer, and
- (b) the notice required by section 86 of the Employment Rights Act 1996 (as amended from time to time) to be given by an Employer would, if duly given on the material date, expire on a date later than the effective date of termination (as defined in paragraph 140(i) above),

the later date is the effective date of termination.

(iii) In paragraph 140(ii)(b) above, “the material date” means:

- (a) the date when notice of termination was given by the Employer, or
- (b) where no notice was given, the date when the contract of employment was terminated by the Employer.

(iv) Where:

- (a) the contract of employment is terminated by the Employee, and
- (b) the material date does not fall during a period of notice given by the Employer to terminate that contract, and
- (c) had the contract been terminated not by the Employee but by notice given on the material date by the Employer, that notice would have been required by section 86 of the Employment Rights Act 1996 (as amended from time to time) to expire on a date later than the effective date of termination (as defined in paragraph 140(i) above),

the later date is the effective date of termination.

(v) In paragraph 140(iv) above, “the material date” means:

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- (a) the date when notice of termination was given by the Employee, or
- (b) where no notice was given, the date when the contract of employment was terminated by the Employee.

**141.** In determining “continuous employment”, the arbitrator shall have regard to Chapter I of Part XIV of the Employment Rights Act 1996 (as amended from time to time).

**142.** The “appropriate amount” means:

- (i) one and a half weeks' pay for a year of employment in which the Employee was not below the age of forty-one,
- (ii) one week's pay for a year of employment (not within sub-paragraph (i) above) in which he or she was not below the age of twenty-two, and
- (iii) half a week's pay for a year of employment not within sub-paragraphs (i) or (ii) above.

**143.** In calculating the amount of a week's pay of an Employee, the arbitrator shall have regard to Chapter II of Part XIV of the Employment Rights Act 1996, as amended from time to time, or any other relevant statutory provision applicable to the calculation of a week's pay.

**144.** Where twenty years of employment have been reckoned under paragraph 139 above, no account shall be taken under that paragraph of any year of employment earlier than those twenty years.

**145.** Where the effective date of termination is after the sixty-fourth anniversary of the day of the Employee's birth, the amount arrived at under paragraphs 139, 142 and 144 above shall be reduced by the “appropriate fraction” (see paragraph 146 below).

**146.** The “appropriate fraction” means the fraction of which:

- (i) the numerator is the number of whole months reckoned from the sixty-fourth anniversary of the day of the Employee's birth in the period beginning with that anniversary and ending with the effective date of termination (see paragraph 140 above), and
- (ii) the denominator is twelve.