

# **Budget 2016: Amendments to taxation of termination payments**

Anyone who has ever been party to a settlement agreement will most likely be aware that an employee gets the first £30,000 of any termination payment tax-free, with any excess subjected to income tax as normal. The current position is that, even for the portion of a termination payment which exceeds the threshold and is taxable, National Insurance Contributions (NICs) are not payable.

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# **Regulators decide not to apply CRD IV bonus cap to small firms**

The Financial Conduct Authority and the Prudential Regulation Authority have announced that they will not be applying the European CRD IV bonus cap to small firms.

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# **Updates from the Employment**

# **Tribunal – awards and statistics**

As of 6 April 2016, Employment Tribunal awards will increase. The maximum compensatory award will be the lower of a year's pay and £78,962 (increasing from £78,335). The upper limit on a week's pay, which is relevant to various calculations including statutory redundancy payments and basic awards for unfair dismissal, rises to £479 from £475.

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## **What is a 'fair and reasonable' level of split commission?**

An employer's decision regarding the split of a commission pool between offices was unreasonable in circumstances where the rules set out in the commission plan were not followed.

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## **Bristol company introduces 'period leave' policy**

A Bristol-based company has introduced a 'period policy' to allow female staff to work flexibly around their menstrual cycle.

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# **When is an employer liable for harm caused by its staff?**

In some circumstances an employer can be held accountable when its staff do something wrong. In two recent cases, the Supreme Court has given useful guidance on the kinds of circumstances in which that will be so.