

## Payroll Disputes, Grievances and Dismissals

New laws were introduced in October 2004 that remove the exemption that small and medium sized companies (SMEs) with fewer than 20 staff had. These exemptions previously meant that SMEs did not have to provide information on disciplinary and grievance procedures.

From October 2004 if an employer wants to dismiss an employee, or take action against them a minimum statutory procedure must have been followed (Employment Act 2002).

There are three steps: -

1. The employer writes to the employee, setting out the alleged misconduct and invites the employee to attend a meeting to discuss the matter.
2. The meeting should take place PRIOR to any disciplinary action being taken (excluding suspension).
3. The employer informs the employee of the decision.

If the employee wants to appeal, the employer must hold a further hearing, and then advise the employee of its final decision.

There is a 2 stage modified procedure for employees who have already left the company.

Failure to follow statutory procedure can be judged as unfair dismissal and result in compensation being awarded. Awards can be inflated by 10-50% if procedures have not been adhered to by the employer, and decreased by 10-50% if the employee has not followed the correct procedure.

For more information

<http://www.acas.gov.uk/>

Age discrimination laws also came into effect from October 2006 details of which are on the HMRC website.

Businesslink have a new tool which can be used for disciplinary action against an employee on or after 6 April 2009.

<http://www.businesslink.gov.uk/bdotg/action/layer?topicId=1075122891>