

*These notes refer to the Enterprise and Regulatory Reform Act 2013 (c.24) which received Royal Assent on 25 April 2013*

# **ENTERPRISE AND REGULATORY REFORM ACT 2013**

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## **EXPLANATORY NOTES**

### **COMMENTARY ON SECTIONS**

#### **Part 2: Employment**

##### **Miscellaneous**

##### **Summary and Background**

119. The Employment Tribunal Rules of Procedure are set out in Schedule 1 to the Employment Tribunal (Constitution and Rules of Procedure) Regulations 2004. These regulations are made under various powers contained in the ETA 1996.
120. As part of his review of the Employment Tribunal Rules of Procedure, Mr. Justice Underhill recommended certain changes that would require amendments to the existing powers in primary legislation.
121. In certain claims, the amount able to be awarded by an employment tribunal is subject to a statutory limit. These limits are subject to annual adjustment in line with the Retail Prices Index. However, the rounding mechanism currently applicable has led to increases in the limits far greater than the rate of inflation. Section 22 will allow the rounding mechanism to be adjusted so that all limits are rounded up or down to the nearest pound, thereby ensuring that the changes closely reflect the rate of inflation.
122. Compromise agreements are being renamed as “settlement agreements”. This is the term more generally used for civil claims and is therefore more widely understood than compromise agreement. It also more accurately reflects their use and content.