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22 April 2024

Dear Liam,

### **Adding the protective award to Schedule A2 of the Trade Union and Labour Relations (Consolidation) Act 1992**

I am writing to inform you that the government will be laying a statutory instrument in Parliament today which will add the protective award to Schedule A2 of the Trade Union and Labour Relations (Consolidation) Act 1992 (“the 1992 Act”).

The protective award is compensation awarded by an employment tribunal where an employer did not consult with their employees before dismissing 20 or more of them within any 90-day period at a single establishment. The maximum amount of compensation employees can get from a successful claim is 90 days' pay.

This statutory instrument will add the protective award for non-compliance with collective consultation obligations to Schedule A2 of the 1992 Act.

Schedule A2 of the 1992 Act is the list of claims for which an employment tribunal could make a 25% adjustment to compensation where one of the parties has unreasonably failed to comply with a Code of Practice made using powers in Section 203 of the 1992 Act.

The effect of this change would mean that where employers failed to comply with their collective consultation obligations and any Code of Practice made under Section 203 of the 1992 Act that provides for adjustment of compensation, the compensation they would owe to employees could be increased by up to 25%.

This change is designed to increase the deterrent effect of the Code of Practice on Dismissal and Re-engagement (“the Code”). The protective award is a key potential claim in dismissal and re-engagement scenarios. The government published an updated version of the Code on 19 February 2024, following a consultation.

We expect the Code to be in force later in the summer. Subject to Parliamentary time, this statutory instrument will come into force on the same day as the Code comes into force.

Yours ever,

A handwritten signature in black ink, appearing to read 'Kevin', with a stylized flourish at the end.

**Kevin Hollinrake MP**  
Minister for Enterprise, Markets, and Small Business  
Department for Business and Trade