EXPLANATORY MEMORANDUM TO

THE EMPLOYMENT RIGHTS (INCREASE OF LIMITS) ORDER (NORTHERN IRELAND) 2026

S.R. 2026 No. 57

1. Introduction

1.1 This Explanatory Memorandum has been prepared by the Department for the Economy ("the Department") and is laid before the Northern Ireland Assembly in respect of the above-named Order ("the Order").

1.2 The Order is made in exercise of the powers conferred by Articles 33(2) and 39(3) of the Employment Relations (Northern Ireland) Order 1999 ("the 1999 Order"). The Order is not subject to any Assembly proceedings but under Article 33(6) of the 1999 Order is required to be laid before the Assembly after being made.

2. Purpose

This Order revises the limits on awards and payments under certain employment rights legislation in line with the rate of inflation. It will come into operation on 6th April 2026.

3. Background

Article 33(2) of the 1999 Order provides that the limits on various statutory awards and payments under employment rights legislation are index-linked. It requires the Department to modify these limits to reflect the annual percentage change in the Retail Prices Index (RPI) between September of a year and the previous September. In this instance the Order revises limits in accordance with the change in RPI from September 2024 to September 2025.

4. Consultation

Public consultation has not been carried out in relation to the Order; the Department is under a statutory duty both to make the Order and to bring the revised limits into operation on 6th April. The Order is considered to be of a routine and technical nature.

5. Equality Impact

Consideration has been given to compliance with Section 75 of the Northern Ireland Act 1998. An Equality Impact Assessment is not considered necessary. The Order does not introduce new policy or change existing policy; it simply revises awards and payments in line with inflation.

6. Regulatory Impact

A Regulatory Impact Assessment is not required. The Order applies a predetermined formula (RPI) and has negligible impact on business, charities, social economy enterprises or voluntary bodies.

7. Financial Implications

There are no direct financial implications for the Department. Payments are funded through the UK-wide National Insurance Fund.

8. Section 24 of the Northern Ireland Act 1998

Checks have been carried out to ensure compliance with Section 24 of the Northern Ireland Act 1998.

9. EU Implications

Not applicable.

10. Parity or Replicatory Measure

The Order applies to Northern Ireland only. Equivalent legislation in Great Britain applies similar annual RPI-based revisions. NI provisions diverge slightly due to historical rounding differences, but the approach remains broadly aligned.

11. Additional Information

Not applicable.