employment law for employers in Northern Ireland

DND LAW
A MEMBER OF THE LAW GROUP

Client briefing · October 2026 · tribunal claims, compensation, discrimination, contracts and avoiding disputes

An employer's guide

Employment law in Northern Ireland is devolved and differs in important ways from Great Britain. Qualifying periods, procedures, compensation limits and even the names of the tribunals are different, and employers who rely on GB guidance can be caught out. This guide explains, from the employer's side, when staff can bring claims, what they can be awarded, how a case runs, and the practical steps that prevent most disputes.

When can an employee bring a claim?

Claim	Qualifying service in Northern Ireland
Ordinary unfair dismissal	One year's continuous employment
Automatically unfair dismissal (for example pregnancy, whistleblowing, health and safety, asserting a statutory right, trade union reasons)	None: a day-one right
Discrimination, harassment and victimisation	None: applies from the recruitment stage, and even after employment ends
Unlawful deductions from wages, holiday pay, breach of contract	None
Statutory redundancy payment	Two years' continuous employment
Written statement of employment particulars	Due within two months of starting

Current and proposed changes

In Great Britain, the qualifying period for unfair dismissal is being cut from two years to six months, and the cap on compensation removed, from January 2027. These changes do not apply in Northern Ireland. Here the period remains one year, and the Executive's proposed "Good Jobs" Employment Rights Bill has not yet become law. We will update clients as soon as anything changes.

The key differences from GB

Claims go to the Industrial Tribunal, or the Fair Employment Tribunal for religious belief and political opinion. The statutory dismissal and grievance procedures still apply. The compensatory award is not capped at a year's pay. And appeals go straight to the Court of Appeal.

Employees and workers

Workers, including many casual and zero-hours staff, have fewer rights than employees but are still protected against discrimination and entitled to holiday pay and the minimum wage.

Agency and fixed-term staff

Agency workers gain equal pay and conditions after 12 weeks. Fixed-term employees must not be treated less favourably than permanent colleagues.

No retirement age

There is no default retirement age. Any compulsory retirement must be objectively justified, which is very difficult for most employers.

Early conciliation, the claim form, the timetable, and the tribunal's powers

From dispute to hearing

1 Early conciliation

Before lodging a claim, the employee must notify the Labour Relations Agency (LRA). The time limit is paused for up to a month, extendable by 14 days, while an LRA officer explores settlement. Conciliation is voluntary for both sides.

2 The claim form (ET1)

Usually lodged within three months less one day of the dismissal or act complained of, plus the conciliation pause. Equal pay and redundancy claims have six months.

3 The response (ET3)

The employer has 28 days from the date the claim is sent to file its response. Missing the deadline can lead to judgment being given against you without a hearing.

4 Case management

A preliminary hearing or case management discussion identifies the issues and sets a timetable for documents, witness statements and the hearing.

5 Discovery and witness statements

Each side discloses the relevant documents, including those that harm its own case, then exchanges written witness statements.

6 Full hearing and judgment

Usually several months after the claim, and longer for discrimination cases. Judgments are given orally or in writing, and are published online.

Time limits are strict

A claim lodged even one day late will usually be rejected, unless the tribunal accepts it was not reasonably practicable to lodge it in time or, for discrimination, that it is just and equitable to extend time. Time limits are often the employer's first and best defence.

The tribunal's powers

The tribunal actively manages each case. It can order:

- discovery and inspection of documents, including emails, messages and notes of meetings;
- additional information explaining a claim or defence;
- witness orders compelling a person to attend;
- deposit orders where an argument has little reasonable prospect of success;
- unless orders, striking out a claim or response if a direction is not complied with;
- strike-out of a claim or response that is scandalous, vexatious or has no reasonable prospect of success.

Hearing dates

Tribunals in Northern Ireland sit mainly in Belfast. Listing a contested case for a full hearing commonly takes many months, and complex discrimination cases with several witnesses can take a year or more. Postponements are granted only for good reason, and late applications are rarely successful.

Keep your records

Documents decide most tribunal cases. Letters, notes of meetings, emails and messages will all be disclosed, including private messages between managers about the employee. Write everything on the assumption that a tribunal will read it.

When a claim arrives: an ET3 checklist

Note the deadline (28 days). Check the claimant's dates of employment and the early conciliation certificate. Identify every complaint ticked on the claim form. Gather the contract, policies and documents. Consider whether any claim is out of time. Instruct us early, so that the response sets out your full defence from the start.

How the tribunal differs from the courts

Why the tribunal is less formal

Industrial tribunals were created to give employees and employers quick, accessible and inexpensive justice without the formality of the courts. In practice:

- Most hearings are heard by an employment judge sitting with two lay members, one with an employer and one with an employee background. Some cases are heard by a judge alone.
- Nobody wears wigs or gowns, and the room is arranged around a table.
- The strict rules of evidence used in the courts do not apply. The tribunal can consider any evidence it finds relevant.
- Many claimants represent themselves, and the tribunal will help an unrepresented party to put their case, which can feel uneven to a represented employer.
- There are no fees to issue or defend a claim in Northern Ireland.
- Each side usually pays its own legal costs, whoever wins.

Preparing for the hearing

- An agreed bundle of documents is prepared, usually by the employer.
- Each witness gives a written statement, which stands as their main evidence, and is then cross-examined.
- Managers who took the decisions should normally give evidence. A tribunal will notice if they do not.
- Hearings are in public, and judgments, including names, are published online.

Costs: the exception, not the rule

The tribunal can order a party to pay the other side's costs only where it has acted vexatiously, abusively, disruptively or otherwise unreasonably, or where its claim or response had no reasonable prospect of success. Costs orders are made in a small minority of cases. For employers, this means:

- even a successful defence usually costs money that will not be recovered;
- the commercial value of an early settlement is often greater than the legal merits suggest;
- a well-judged written offer can still improve your position on costs if the claimant later behaves unreasonably.

Appeals

There is no Employment Appeal Tribunal in Northern Ireland. Appeals on a point of law go directly to the Court of Appeal, after the tribunal is asked to state a case. This is more expensive and slower than the GB route, which makes getting the first hearing right even more important.

Enforcing an award

If an award is not paid, the employee can register it with the Enforcement of Judgments Office, which has wide powers including attachment of earnings, bank accounts and property. Unpaid awards also attract interest.

Settling a claim

Most claims settle before a full hearing. A settlement is binding only if it is recorded by an LRA conciliation officer or set out in a compromise agreement, signed after the employee has received independent legal advice. Employers commonly contribute to that advice. A settlement can include a confidentiality clause, an agreed reference and a no-admission of liability, but cannot prevent a protected disclosure.

Compensation, reinstatement and other awards

Unfair dismissal awards (from 6 April 2026)

Award	Northern Ireland limit
A week's pay, for the basic award and redundancy	£783
Maximum basic award (30 weeks)	£23,490
Maximum compensatory award	£123,785
Minimum basic award in certain automatically unfair cases	£9,512
Additional award for refusing to reinstate (26 to 52 weeks)	£20,358 to £40,716
Breach of contract claims in the tribunal	£25,000

The basic award

Calculated like a statutory redundancy payment: one and a half weeks' pay for each year worked aged 41 or over, one week for each year aged 22 to 40, and half a week below 22, for up to 20 years.

The compensatory award

This compensates for actual financial loss: lost earnings to the hearing and into the future, pension loss and expenses. In Northern Ireland it is capped at £123,785, but unlike in Great Britain it is not limited to a year's pay. There is no cap at all in whistleblowing and health and safety cases. The employee must try to find new work, and the award can be reduced if they do not, or if their own conduct contributed to the dismissal.

Tax and benefits

The first £30,000 of compensation for loss of employment is usually free of income tax, but notice pay is taxed as earnings. Awards can also be reduced to take account of state benefits the employee has received, which the Department for Communities may recoup from the award.

Adjustments that can increase an award

- Statutory procedures: if the employer fails to complete the statutory dismissal procedure (written statement, meeting, appeal), the dismissal is automatically unfair, the basic award is at least four weeks' pay, and compensation is usually increased by 10%, and up to 50%.
- No written statement of particulars: two or, if the tribunal considers it just, four weeks' pay, added to the award in most successful claims.
- Interest on discrimination awards.

Reinstatement and re-engagement

An unfairly dismissed employee can ask for their old job back (reinstatement) or a comparable job (re-engagement). The tribunal considers whether this is practicable, and whether the employee contributed to the dismissal. Orders are rare, because the relationship has usually broken down. An employer that refuses to comply must pay an additional award of 26 to 52 weeks' pay on top of compensation.

Other common claims

- Unlawful deductions from wages, including unpaid wages, commission and overtime: the amount wrongly deducted.
- Holiday pay: underpaid statutory holiday pay, which must include regular overtime and commission.
- Notice pay and breach of contract, up to £25,000.
- Redundancy pay and failure to consult collectively.

Holiday pay: no two-year backstop

In Great Britain, holiday pay claims are limited to two years. Northern Ireland has no such backstop, and following the Supreme Court's decision in the PSNI v Agnew case, a series of underpayments can stretch back many years. Make sure holiday pay includes regular overtime and commission now.

What discrimination is, and what happens when it is alleged

The protected grounds in Northern Ireland

Northern Ireland has no single Equality Act. Separate legislation protects against discrimination on grounds of:

Age	Sex, including pregnancy and maternity
Disability	Gender reassignment
Race and nationality	Marital or civil partnership status
Religious belief	Political opinion
Sexual orientation	Part-time and fixed-term status

Forms of discrimination

- Direct: treating someone less favourably because of a protected ground.
- Indirect: applying a rule or practice that puts a group at a disadvantage and cannot be objectively justified.
- Harassment: unwanted conduct that violates dignity or creates a hostile environment.
- Victimisation: treating someone badly because they complained of discrimination or supported a complaint.
- Disability: also includes failing to make reasonable adjustments.

Age is different

Direct age discrimination can sometimes be justified as a proportionate means of achieving a legitimate aim, but the threshold is high. There is no default retirement age, so asking someone to leave because of their age is very likely to be unlawful.

When discrimination is alleged

- Burden of proof: if the employee shows facts from which discrimination could be inferred, the employer must prove it did not discriminate.
- Compensation is uncapped. It covers financial loss, and an award for injury to feelings, banded according to seriousness, with the most serious cases reaching substantial sums. Aggravated damages and interest can be added.
- Individuals can be named as respondents alongside the employer, and ordered to pay compensation personally.
- The employer's defence: an employer is liable for discrimination by its staff unless it shows it took all reasonable steps to prevent it, such as a clear policy, regular training and prompt action on complaints.
- Religious belief and political opinion claims go to the Fair Employment Tribunal, and employers with more than ten full-time employees have monitoring and reporting duties to the Equality Commission.

What to do when a complaint arrives

Treat it seriously and promptly. Preserve all documents. Investigate impartially, keep notes, and take advice before taking any step against the person who complained, as victimisation claims often succeed even where the original complaint does not.

The questionnaire procedure

Unlike in Great Britain, Northern Ireland has kept the statutory questionnaire procedure in discrimination cases. An employee can send the employer formal questions before or during a claim. A late, evasive or incomplete answer allows the tribunal to draw an adverse inference. Answer carefully, accurately and on time, and take advice first.

Contracts of employment: what they must say, and what they cannot do

The written statement

Every employee must receive a written statement of the main terms of employment within two months of starting. It must include:

- the names of employer and employee, start date and date continuous employment began;
- pay, how it is calculated and when it is paid;
- hours of work, place of work and job title or description;
- holiday entitlement and holiday pay, including public holidays;
- sickness absence and sick pay terms;
- pension arrangements;
- notice periods on both sides;
- the disciplinary and grievance procedures, and who to appeal to;
- the expected end date of any fixed-term contract.

Holiday and sick pay

All workers are entitled to 5.6 weeks' paid holiday a year, which can include public holidays. Holiday pay must reflect normal pay, including regular overtime and commission. Statutory Sick Pay is payable from the first day of absence since April 2026, and any enhanced company sick pay should be clearly set out, including when it can be withdrawn.

The right to be accompanied

At any disciplinary or grievance hearing, an employee has the right to be accompanied by a colleague or a trade union representative. Refusing that request can lead to an award of up to two weeks' pay, and undermines the fairness of the process.

Probation, notice and references

Probationary periods are useful, but do not remove statutory rights. Statutory minimum notice is one week after a month's service, rising to one week per year up to 12 weeks. References must be true, accurate and fair.

Can a contract override the law?

No. A contract can give employees more than the statutory minimum, but any term that gives less, or tries to exclude a statutory right, is void. An employee cannot sign away the right to bring a tribunal claim, except through an LRA-conciliated settlement or a properly drafted compromise agreement, signed after independent advice.

Clauses worth including

- An express right to deduct overpayments and excess holiday on termination.
- Pay in lieu of notice and garden leave.
- Confidentiality and data protection obligations.
- Reasonable restrictive covenants for senior or client-facing staff.
- Flexibility clauses on duties and location, used fairly.
- A clear statement of which policies are contractual.

Tricks and traps

Skipping the statutory three-step procedure because the employee "has less than a year's service": discrimination and automatically unfair claims need none. Holding a meeting without first giving the grounds in writing. Relying on GB templates and GB qualifying periods. Labelling someone self-employed when they work like an employee. Withholding final pay to recover a debt without written authority. Dismissing someone shortly after they raise a complaint. Comments about age, pregnancy or health in emails or WhatsApp messages.

Worked example

Emma, aged 60: “we no longer want you to work here”

Emma, aged 60, has worked for 15 years as an office administrator for a family business, earning £32,000 a year (about £615 a week gross), with a 5% employer pension contribution. Michael, the 45-year-old managing director, tells her in a short meeting that the business “wants a younger team going forward” and that she should finish at the end of the month. Nothing is put in writing and there is no appeal.

The legal analysis

- Direct age discrimination: the reference to a “younger team” is strong evidence. The burden shifts to the employer, which will struggle to show any non-discriminatory reason or justification.
- Unfair dismissal: Emma has over a year’s service, and there was no fair reason or fair process.
- Statutory procedure: no written statement of the grounds and no appeal, so the dismissal is automatically unfair and the award is likely to be uplifted.
- Notice: Emma is entitled to 12 weeks’ statutory notice, not one month.
- Written statement: if Emma never received one, a further two to four weeks’ pay may be added.

Illustrative exposure

Element	Approximate
Basic award: 15 years over 41 × 1.5 × £615	£13,840
Notice pay shortfall (about 8 weeks)	£4,900
Loss of earnings and pension, say 18 months	£45,000
Injury to feelings (middle band)	£15,000
Uplift for statutory procedure failure (10% to 50%)	£6,000 to £30,000
Possible total, before interest and legal costs	£85,000 to £110,000

Illustrative only. Because discrimination is uncapped and Emma may find it hard to obtain new work at 60, future loss could be much higher.

What the employer should have done

If the business genuinely needed to restructure, it should have identified a fair, non-age-related reason (for example a genuine redundancy), consulted Emma, considered alternatives, put the reasons in writing, held a meeting where she could be accompanied, and offered an appeal. Comments about age, in meetings or in writing, should never feature.

What the employer should do now

- Take advice immediately, before Emma’s last day if possible.
- Preserve all emails and messages, including between directors.
- Consider withdrawing the dismissal and starting a proper process if there is a genuine business reason.
- Engage with LRA early conciliation when contacted.
- Consider a negotiated exit under a compromise agreement, with a contribution to Emma’s legal costs for independent advice.

> The lesson
>
> A five-minute conversation can create six-figure exposure. Following the statutory procedure, and choosing words carefully, costs very little by comparison.

Negotiating a settlement

A realistic settlement here would weigh the strength of the age discrimination evidence, Emma’s prospects of new work and the cost of a contested hearing. An early offer through the LRA, before positions harden, is often the most economical outcome for the employer.

Proportionality, mediation, the border, and our role

Do not fight over small things

Defending a tribunal claim to a full hearing can cost an employer many thousands of pounds in legal fees and management time, which are rarely recovered. Arguing at length over a disputed holiday day, a small expense claim or the wording of a reference is seldom worth it. We will always give you a candid view of the merits, the realistic range of outcomes and the cost of defending, so you can make a commercial decision.

Mediation and conciliation

- Workplace mediation, through the LRA or a private mediator, can resolve grievances and working relationship problems before they become claims.
- LRA early conciliation is free, confidential and often produces a settlement within weeks.
- Judicial mediation may be offered by the tribunal in suitable cases.
- A compromise agreement or LRA-recorded settlement finally resolves claims, with confidentiality and a reference agreed.

The trend

Claims are rising across these islands. GB tribunals received 23% more single claims in 2024/25, and complaints to the Workplace Relations Commission in the Republic rose by 44% in 2025. Northern Ireland employers should expect the same pressure, especially if the Good Jobs proposals are enacted.

Working across the border

Where staff live in one jurisdiction and work in the other, or work in both, which law and which tribunal applies depends on where they habitually work and on the contract. An employee based in the Republic will usually bring claims to the Workplace Relations Commission under Irish law, which has different rules on time limits, compensation and procedure. Contracts for cross-border staff should state the governing law and be reviewed in both jurisdictions.

How we help employers

- Contracts of employment, written statements and handbooks drafted for Northern Ireland law.
- Advice on disciplinary, grievance, capability, absence and redundancy processes, including the statutory procedures.
- Support with investigations and meetings, and drafting outcome letters.
- Early conciliation, negotiation and compromise agreements.
- Defending industrial and fair employment tribunal claims, from the ET3 to the final hearing.
- Equality monitoring and Fair Employment compliance.
- Cross-border employment advice in both jurisdictions.

Call us before you act

Most claims we see could have been avoided by a short call before a decision was made or a letter was sent.

Donnelly Neary & Donnelly Solicitors

1 Downshire Road, Newry · T +44 28 3026 4611 · www.dndlaw.com
Advising clients across Northern Ireland and Ireland

The law is rarely one size fits all. While the same legal principles apply, every case turns on its own facts. This guide is reviewed and updated as the law and tax rules change. This briefing is general information on the law of Northern Ireland as at October 2026. The worked example is illustrative. Please take advice on your own circumstances.

THE LAW GROUP
INCLUSIVE LEGAL SERVICES