

2013 No. 1665

TERMS AND CONDITIONS OF EMPLOYMENT

**The Employment Code of Practice (Settlement Agreements)
Order 2013**

Made - - - -

4th July 2013

In accordance with—

(1) section 199(1) of the Trade Union and Labour Relations (Consolidation) Act 1992^(a) (“the 1992 Act”), the Advisory, Conciliation and Arbitration Service (“ACAS”) may issue Codes of Practice containing such practical guidance as it thinks fit for the purpose of promoting the improvement of industrial relations;

(2) section 200(1) of the 1992 Act, ACAS prepared and published in draft a Code of Practice on Settlement Agreements (“the draft Code”) and considered any representations made to it about the draft Code, and modified it accordingly;

(3) section 200(2) of the 1992 Act, ACAS transmitted the draft Code to the Secretary of State;

(4) section 200(2)(a) of the 1992 Act, the Secretary of State approved the draft Code and laid it before both Houses of Parliament, and 40 days beginning on the day on which the draft Code was laid before Parliament, have elapsed; and

(5) section 200(4) of the 1992 Act, neither House having resolved that no further proceedings should be taken on the draft Code, ACAS is issuing the Code of Practice on Settlement Agreements in the form of the draft Code.

The Secretary of State, in exercise of the power conferred by section 200(5) of the 1992 Act, now makes the following Order:

Citation

1. This Order may be cited as the Employment Code of Practice (Settlement Agreements) Order 2013.

Appointed day for the Code of Practice

2. The day appointed by the Secretary of State under section 200(5) of the Trade Union and Labour Relations (Consolidation) Act 1992 for the coming into effect of the Code of Practice on Settlement Agreements is 29th July 2013.

(a) 1992 c. 52, to which there are amendments not relevant to this Order.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order appoints 29th July 2013 as the day on which the Code of Practice on Settlement Agreements will come into effect. The Code of Practice is being issued by the Advisory, Conciliation and Arbitration Service under section 199(1) of the Trade Union and Labour Relations (Consolidation) Act 1992.

The Code of Practice provides guidance on the implications of new section 111A of the Employment Rights Act 1996 (confidentiality of negotiations before termination of employment). Section 111A is inserted into the 1996 Act by section 14 of the Enterprise and Regulatory Reform Act 2013. Section 111A provides for evidence of negotiations about ending the employment relationship on agreed terms to be inadmissible as evidence in any subsequent unfair dismissal claim.

A separate Impact Assessment has not been prepared for the Code of Practice because it is part of a package of legislative and non-legislative measures relating to the implementation of the Enterprise and Regulatory Reform Act 2013. Please refer to the Facilitating Settlement Agreements Impact Assessment published in September 2012 for further details. A copy can be obtained from the Department for Business, Innovation and Skills, 1 Victoria Street, London SW1H 0ET.

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