

Asking for and awarding pay rises

There are things an employer should consider when awarding pay rises.

When pay rises are awarded

When a pay rise is agreed, employers should communicate the change to employees or their representatives.

Employees do not have to sign a new contract for changes to take effect.

However, the employer must put any changes to an employee's main terms of employment in writing. For example, in a letter or email.

By law, an employer must put a change in writing within one month of the change.

If the same pay rise is awarded to a number of employees, the employer does not need to write to everyone separately. The employer can put the changes in writing for the whole group at the same time. For example, in a group email.

The employer could choose to update an employee's [written statement of employment particulars](#) but they do not have to.

When employment ends

An employer might award a backdated pay rise.

If an employee leaves, a backdated pay rise might cover the period they were employed. In these circumstances whether they are eligible for the pay rise depends on their contract.

Employees who have left employment should check their contract to see if they're eligible for a backdated pay rise.

If it is not in contract the employee could talk to the employer to ask if they are eligible. If they do this, the employee should confirm what they have discussed in writing. For example, in a letter or email.?

If the employer and employee cannot agree, the employee can [raise a grievance](#). This is where the employee makes a formal complaint to their employer. An employee can still do this even if their employment has ended.

If an employee is not able to resolve the decision on the pay rise, they might be able to [take legal action](#).

Asking for a pay rise

An employee might want to discuss a pay rise with their employer if they do not have a right to one through either:

- their contract
- an existing collective bargaining agreement

They could give the reasons why they think they should get a pay rise.

Whether an employee can be dismissed for asking for a pay rise

When deciding whether to dismiss someone an employer must:

- have a [fair reason for dismissal](#), for example, misconduct or capability
- use a fair and reasonable procedure

Asking for a pay rise is unlikely to be a fair reason to dismiss someone.

If an employee has 2 years' service and is dismissed, they could have the right to make a claim for [unfair dismissal](#).

It would be automatically unfair dismissal if an employee asked for their legal right to be paid the minimum wage. An employee does not need 2 years' service to claim automatically unfair dismissal.